

The **NATIONAL UNDERWRITER** *Life Insurance Edition*

OUR GREETINGS

to the

NATIONAL ASSOCIATION OF LIFE UNDERWRITERS

for a

MOST STIMULATING CONVENTION

EARL H. WELTZ & COMPANY

Specialists in Extra Risk and Surplus Life Insurance Underwriting

CONSULT US ON YOUR PROBLEM CASES

LINCOLN LIBERTY BUILDING • PHILADELPHIA 7, PA.

Telephone: Rittenhouse 6-7141

2

2nd CONVENTION DAILY

Friday, August 26, 1955



Pictured above is the home office of Kansas City Life Insurance Company, Broadway and Armour, Kansas City, Missouri.

A Missouri Welcome to the N.A.L.U.

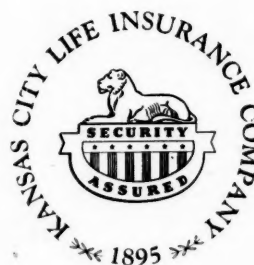
Recognition of the tremendous importance of the field forces is a historic principle with our Company. This fundamental attitude prompts us to pay tribute to the life underwriters of America who individually and through the National Association of Life Underwriters have contributed so much to the success of the life insurance business.

With a membership of more than 50,000, the N.A.L.U. has helped the underwriter multiply the services of Life Insurance to the public. It has properly focused increasing attention on the Underwriter as the keystone of his industry and has made him fully aware of the obligations that have accompanied his achievements. It has fostered devotion to the highest principles of life underwriting and a sincere spirit of cooperation for the good of all.

As a symbol of the accomplishments of life underwriters working alone and together, N.A.L.U. is indeed a mark of leadership!

KANSAS CITY LIFE INSURANCE CO.

Broadway at Armour, Kansas City, Missouri





130 J. S. Agents win coveted National Quality Award for 1955

We take pleasure in announcing that 130 Jeffersonians . . . the largest number ever . . . have won the coveted Q Award for top achievement as quality underwriters. They have done much to give our Company another record-breaking year. And, by making good use of the 5 Big Sales Advantages possessed by Mr. 4%, they have set a dynamic example to the entire Jefferson Standard field force.



Mr. 4% represents Jefferson Standard. Jefferson Standard, now guaranteeing $2\frac{1}{2}\%$ on policies currently issued, has never paid less than 4% on policy proceeds left on deposit to earn income.

Mr. 4% says: Jefferson Standard gives me these

5 BIG SALES ADVANTAGES:

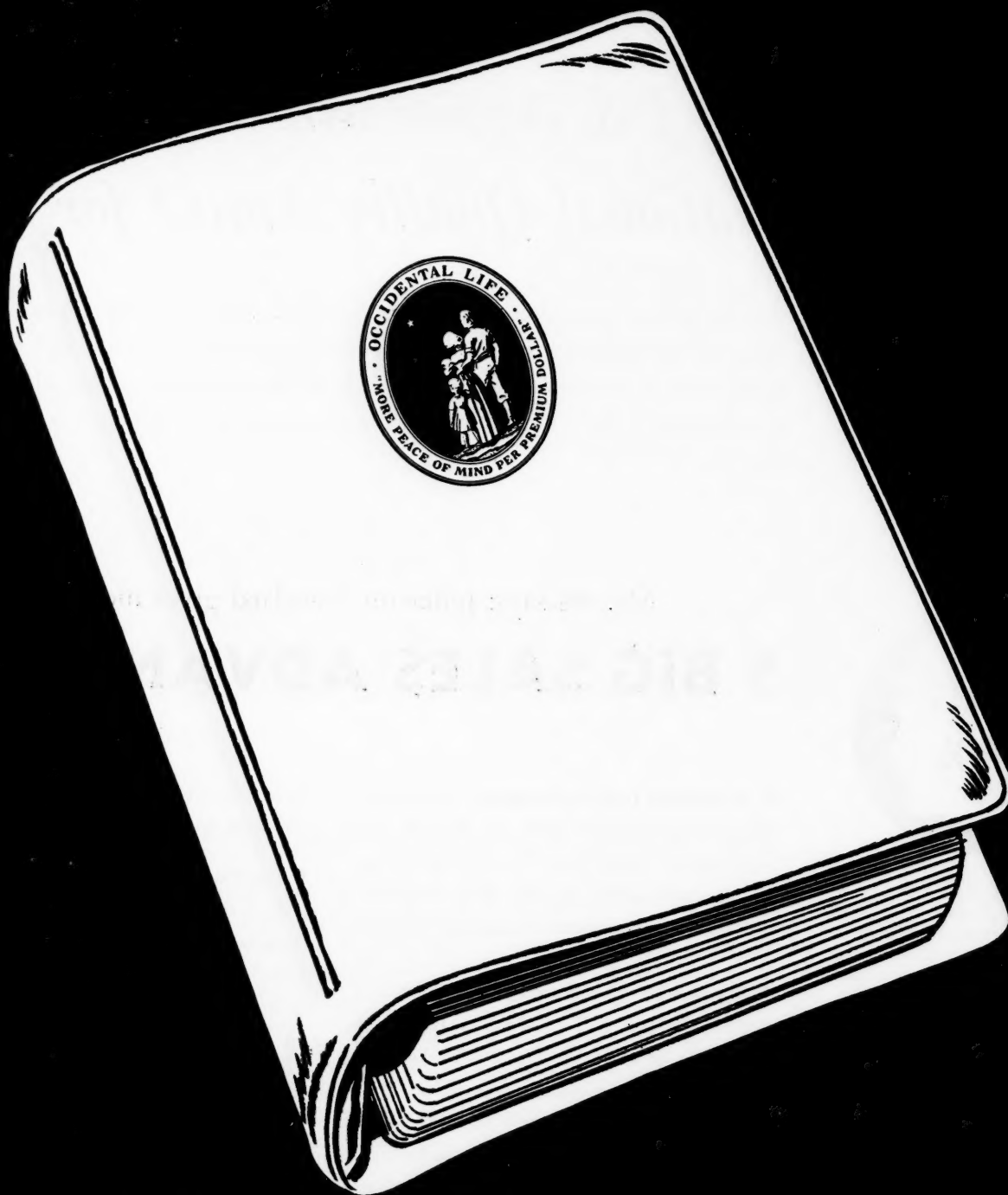
- **A powerful Training Program** . . . beginning with fundamental instruction for the new and inexperienced underwriter . . . then advancing to specialized selling . . . the whole well integrated with constant personal assistance. *It's Tops!*
- **A proved price-advantage** . . . as cited in BEST'S INSURANCE NEWS, Life Edition, in its analysis of Ordinary Life, 20-Pay Life and 20-year Endowment contracts issued in 1934, age 35. It shows that Jefferson Standard policyholders, on all three types of contract in the highest cash-value group, *pay less than policyholders of any other company in this group.*
- **Modern Visual Aids** that get the interview off to a flying start . . . make selling a pleasure. The complete Merchandisers add force to my presentation. The Individual Proposal Forms are simplified, easy to fill out. A great help!
- **Our Planned Protection Service Manual** . . . really terrific! The perfect manual for program presentations, as proved by sales results. In addition to serving the policyholder with the ultimate in modern programming, the Manual has enabled my associates and me to boost our average size application to \$11,066.
- **Highest earnings rate.** My Company for 19 years has led all major life companies in net rate of interest earned on invested assets 4.41% in 1954. This favorable earnings rate enables our Company to pay 4% interest on dividend accumulations and policy proceeds left with the Company. *This is the highest rate paid by any major life company.*

Over 1 Billion, 400 Million
Dollars Life Insurance in Force

Jefferson Standard

LIFE INSURANCE COMPANY

Home Office: Greensboro, N.C.



**Underwriters carrying this rate book
have more policies to sell, and
so...sell more policies!**



Occidental Life

INSURANCE COMPANY OF CALIFORNIA

Home Office, Los Angeles

Cleeton Wins NALU's Russell Award

Dow Predicts Assets Will Quadruple in Next 20 Years

Sees Life Company Investments as Help in Solving Nation's Problems

Predicting that life insurance assets will quadruple in 20 years, Charles W. Dow, senior vice-president of Equitable Society, speaking at National Assn. of Life Underwriters convention at St. Louis, said that the volume of life insurance investments must grow for the simple reason that agents are going to sell more life insurance protection to more people. The census bureau estimates the population will rise by 40 million in the next 20 years, with the total reaching 205 million by 1975.



Charles W. Dow

Sees Further Humanization

He further predicted that the next 20 years will witness further humanization of insurance investment. It is the responsibility of the life companies to use their investment dollars to help solve the problems of employment, housing, and transportation that will come from the growth in population, he said. If they do not do so, the solutions may well come from the federal government, which can only mean a loss in individual freedom, a loss in the dignity of man, a loss in the human values the insurance agent and the investment manager alike have strived so hard to create, he said.

"I also confidently predict that life insurance investment will continue dynamic—changing to meet changing conditions, but always moving forward—to bring to all America the benefits of the savings of all Americans," Mr. Dow said.

Thirty years ago the ideas of "real estate security" and "get your

(CONTINUED ON PAGE 40)



STANLEY C. COLLINS

Metropolitan Life, Buffalo, New NALU President

Collins First Debit Agent to Be Named NALU President

Stanley C. Collins, the new president of National Assn. of Life Underwriters, is the first debit agent to become a national officer of NALU.

Mr. Collins also has the distinc-

tion of being the first weekly premium agent to hold the presidencies of the Buffalo and New York State agents' associations and the Buffalo CLU chapter. He is a past chair-

(CONTINUED ON PAGE 43)

Presentation Made at Annual Meeting Held in St. Louis

Former President's Work as Building Committee Chairman Is Recognized

By ROBERT B. MITCHELL

The 1955 John Newton Russell memorial award for outstanding service to the institution of life insurance "above and beyond the normal call of duty" went to Charles E. Cleeton, Occidental of California, Los Angeles, chairman of the NALU building committee and a past president of the national association.

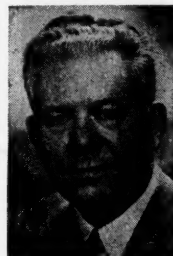
When Holgar J. Johnson, president of the Institute of Life Insurance and a member of the award committee, arose to make the presentation at the close of the Wednesday afternoon general session of the annual meeting of NALU in St. Louis. It was the tip-off that Mr. Cleeton, widely rumored as the leading choice, was actually the winner—for Mr. Cleeton was chairman of the award committee and would normally have been the one to make the presentation.

The citation emphasized that to Mr. Cleeton belonged the major share of credit for originating and then carrying out the plan for NALU's projected headquarters building in Washington, D. C. Mr. Cleeton is a CLU and a life member of the Million Dollar Round Table.

The campaign for the secretaryship of National Assn. of Life Underwriters added a touch of drama to a convention otherwise notable for a lack of hot issues.

The winner is Albert C. Adams, John Hancock, Philadelphia. Trustee of NALU and chairman of the social security committee.

There was no contest for any of (CONTINUED ON PAGE 46)

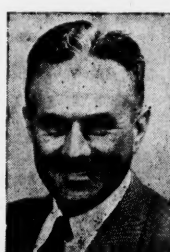


Charles E. Cleeton

NEW TRUSTEES ELECTED AT NALU ST. LOUIS CONVENTION



Quan L. Ching



John C. Donohue



Elsie Doyle



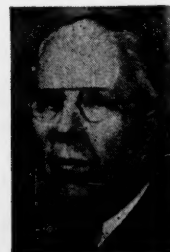
Louis J. Grayson



Gordon V. Hockaday



Oren D. Pritchard



Sam B. Starrett Jr.

MDRT HOUR

Byrnes Quotes Revenue Commissioner on Vital Role of Business Insurance

George B. Byrnes, chairman of the 1955 Million Dollar Round Table, who presided at the Million Dollar Round Table hour at the NALU meeting, quoted several significant statements from the talk that Internal Revenue Commissioner T. Coleman Andrews made at the recent annual meeting of the MDRT at White Sulphur Springs.



George B. Byrnes

One of these was Mr. Andrews' statement that the payment of premium test for estate tax liability of life insurance "was one of the most immoral and one of the most vicious things that was ever written upon the statute books in any country in the history of civilization."

Then, when questioned about the permanency of the legislation abolishing the premium payment test, Mr. Andrews said, "I can't conceive of this Congress or any future Congress going back to the absolutely immoral basis that preceded this revision."

Mr. Byrnes said it was stimu-

lating, too, to get the commissioner's unqualified endorsement of business insurance when he said:

"As an accountant for almost 40 years, I know the value of life insurance to business. I have seen businesses too many times in the past afflicted with terrific losses upon the death of one or more of its important people. And, having suffered such mortal blows financially and otherwise, there was no way for them to recover. I have seen the effect of that particularly upon families of deceased successful business men, and I think it also is a mark of distinction that the Congress eventually saw and made suitable laws to meet the situation, so that businesses would have to be given an opportunity to continue financially and not be caused to suffer a mortal blow on the death of the principal figure in it."

Mr. Andrews further said on this point, "How can [a partnership] continue unless there can be a means such as is available through the purchase of life insurance to pay up the deceased partner's interest and enable the concern to operate without difficulty?"

As to the use of insurance in pension plans, when Commissioner Andrews was asked if the actuarial



Oklahoma contingent at a National Council session: Leonard G. Herron, Massachusetts Mutual, Stillwater; Claude A. Bradshaw, Mutual of New York, Stillwater, the state president; F. B. "Fuzz" Barnes, American National, Lawton; Phil Noah, American National, Oklahoma City, and Malcolm C. White, Pacific Mutual, Oklahoma City.

consulting firm of Bowles, Andrews & Towne, with which he had been connected prior to becoming commissioner, ever recommended an insurance plan he answered that "there have been numerous recommendations of the insurance method of the handling of pension plans. I don't know how our whole pension movement would operate if we did not have insurance plans to do it."

As to the philosophy underlying the drafting of the 1954 revenue code, which Mr. Byrnes pointed out has created such a favorable climate for sale of life insurance, Commissioner Andrews said:

"We all know that the more money left in the hands of the taxpayers, the more money you've got to build America, and that is the whole philosophy behind the 1954 code... The theory of this administration is that the taxpayers, the people of America, know how to run their business better than the government does."

Gives Success Ideas

In preparation for the MDRT annual meeting, Mr. Byrnes asked speakers, executive committee members and past presidents for their ideas on the essentials of success. Quoting some of these at the MDRT hour at St. Louis, Mr. Byrnes said that success means different things to different people but most of the Round Table members attributed their success to some basic attitude they have or to some change they made in their attitude rather than to a particular sales idea that they had developed or had received elsewhere.

Mr. Byrnes, who is a general agent for New England Mutual in New York City, concluded by introducing William D. Davidson, Equitable Society, Chicago, member of the MDRT executive committee; Howard D. Goldman, Northwestern Mutual, Richmond, vice-chairman-elect of the MDRT; G. Nolan Bearden, New England, Beverly Hills, Cal., chairman of the 1954 MDRT; and Arthur F.

Priebe, Penn Mutual, Rockford, Ill., chairman-elect of the 1956 MDRT. Mr. Bearden introduced one of the two speakers, Johnny S. Sierra, Great Southern Life, Dallas. Mr. Priebe introduced the other speaker, Harry R. Schultz, Mutual of New York, Chicago, and the new member of the MDRT executive committee, Adon N. Smith II, Northwestern Mutual, Charlotte, N. C.

Asks Agents to Back Recommendations in Hoover Report

Clarence Francis of New York City, former chairman of General Foods and now special consultant to the president, told the American College hour session Wednesday the nation's agents can play a big role in helping to balance the federal budget and make a substantial reduction in the national debt.

Reviewing the Hoover commission recommendations for cutting out waste and duplication and improving efficiency in the executive branch, Mr. Francis said heavy pressures, both within and without the government, are already forming against certain sections of the report. To offset these, he said, there must be a means by which disinterested citizens can applaud, encourage and prod official Washington if necessary.

Mr. Francis described the 60,000 members of NALU as a potential army of creative citizens who could seize the opportunity contained in the Hoover report and help effect vast improvement in governmental efficiency. To be worth his salt, the speaker pointed out, the salesman must help create and satisfy the American urge for better products, better services and better living. And just such progress can be realized through adoption of the Hoover recommendations, he said, and the life insurance agents represent a formidable potential force to bring about their adoption.

**CENTRAL LIFE MEN
SUCCEED
IN SALES BECAUSE**

Central Life backs up its field representatives with Service . . . and a progressive approach to sales — a modern sales program consistent with Competitive Position and Financial Security. Assets over \$135 Million. Surplus more than \$12 Million.

Over \$400 Million in Force

Central Life
ASSURANCE COMPANY

611 FIFTH AVENUE • DES MOINES, IOWA

memo

to a new president

To: Stanley C. Collins, C.L.U., South Park, N.Y. District

From: Metropolitan Life Insurance Company

Subject: Heartiest congratulations

MAY we express the pleasure and pride we take in the news that you have been elected President of the National Association of Life Underwriters.

In the nearly 22 years of our association, you have time and time again proved the qualities of responsibility and leadership that have brought you this great honor.

It is our earnest belief that your tenure in office will be a time of great achievement which will bring credit to you and to the distinguished organization which you will head.

Again, our heartiest congratulations.

COPYRIGHT 1955—METROPOLITAN LIFE INSURANCE COMPANY

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

1 MADISON AVENUE, NEW YORK 10, N. Y.



Krueger Resigns as V-P of CLU Society; Andrews Put in Line

The new officer slate of American Society of CLU was upset by the resignation of Harry Krueger, general agent for Northwestern Mutual Life in New York City, as first vice president.

Announcement of Mr. Krueger's resignation, because of health conditions, was made during the NALU convention in St. Louis. Society directors at a special meeting advanced two officers and appointed William H. Andrews Jr., Jefferson Standard Life, Greensboro, N. C., secretary. Fitzhugh Traylor, Equitable Society manager at Indianapolis, becomes 1st vice-president, and Eugene C. Devol, general agent for National Life of Vermont, Philadelphia, 2nd vice-president. Mr. Andrews is a past president of NALU. Directors adopted a special resolution thanking Mr. Krueger for his service to the society. He is an associate editor of the CLU Journal.

Interest in CLU functions reached a new high during the NALU St. Louis convention, the breakfast session and conferment exercises Wednesday drawing full houses. Attendance at the latter exceeded 500.

SS Committee Amends Stand on Benefit Increase

The report of the social security committee, reviewed by Chairman Albert C. Adams, John Hancock Mutual, Philadelphia, was amended during the committee meeting Monday.

As prepared, the committee recommended that NALU go along with the provision of the proposed social security legislation that would continue monthly benefits to children over the age of 18 who become totally and permanently disabled prior to that age, as well as to the mothers of such children.

A motion was passed reversing this stand, its advocates contending the care of such children can be handled more efficiently and equitably on a local level. Administration of this provision would be extremely difficult, it was said, particularly because disability would be assessed by the federal government.

The comment also was offered that the provision could open the way to similar payments under OASI to adults, and thus be a wedge toward further broadening of the SS system. Indicating the current proposed SS increases are strictly political in nature, it was stated, the cost of living index the past months has been stable. Proponents of a higher level of benefits in past years could point to inflation and relate their goals with

the rise in the cost of living. The advance in benefits is a pernicious thing, and all members of NALU must be made to understand the potential danger and carry that message to the public, it was emphasized.

Rose Herman Tells WQMDRT Factors for Sales Success

Prospects are just human beings, preoccupied in their everyday routine of making a living, according to Rose Deutsch Herman of the Bash agency, Mutual of New York at Chicago.

Addressing the banquet of the Women's Quarter Dollar Million Round Table Aug. 23, she said most prospects are "suspicious, confused and immature" in many ways and look for the firm direction of a mature person to guide them in making the right decisions. "It is our task to 'break into' their world and persuade them that only life insurance can fortify them in their financial planning," she said.

Mrs. Herman, a life and qualifying member of WQMDRT and a CLU, bases her success formula on enthusiasm, knowledge and friendship. "If we have a strong and complete belief in life insurance and embellish it with our imagination, by investing it with romance, life and glamor, we will be bubbling over with enthusiasm to share the story of the miracle this common policy will perform. We will then be convincing when we tell the prospect life insurance will provide income where there would have been poverty, peace of mind where there would have been agony, safety where there would have been risk, solvency where there would have been insolvency."

To develop this type of selling where it can be done with ease and confidence, Mrs. Herman said many basic factors are necessary, among them faith in self and company, keeping abreast of the times and knowing as much as possible about the business, utilizing training courses available through local associations and subscribing to good insurance periodicals.

Mrs. Herman placed special emphasis on having a fixed or canned sales talk that becomes so much a part of the personality pattern that it is used at all times. When it is known backward and forward the agent is seldom at loss even when interrupted.

She said her source of prospects is large because of a wide acquaintanceship. It is natural to share the good news of changes in the lives of friends, such as a promotion, bonus, new business, a new baby, graduation from college, marriage, new home, etc.

Hamer Here for Pan-American

Kenneth D. Hamer, vice-president and agency director, is attending the conclave from the home office of Pan-American Life.

Judd Benson Elected Chairman of GAMC

Judd C. Benson, Union Central, Cincinnati, was elected chairman of General Agents & Managers Conference of NALU at the convention in St. Louis. He has been vice-chairman.

Others elected are L. Mortimer Buckley, New England Mutual, Dallas, and Carr R. Purser, Penn Mutual, New York City, vice-chairmen; L. Victor Drury, Sun Life of Canada, Philadelphia, secretary; A. B. Ellis, Pacific Mutual, San Francisco, Freeman Wood, Lincoln National, Chicago, Coy G. Eklund, Equitable Society, Detroit, and T. L. Mitchell, Mutual of New York, Birmingham, directors.

Mr. Benson was elected president of NALU in 1949 and has long been active in the affairs of NALU and GAMC. He entered the business with Equitable Society in Kansas after teaching in a high school there for a year. He was assistant superintendent of agencies of Union Central before becoming manager of the home office agency.

Wisconsin Again Cheese-Room Host

Continuing a welcome feature of previous conventions, the Wisconsin Life Underwriters Assn. has its "cheese room" in operation in the quarters occupied by Edward Schroder, New York Life, Appleton, and Russell Miller, Prudential, Fond Du Lac. It is room 1041 in the Jefferson Hotel.

The custom originated when the Wisconsin people were promoting the trustee candidacy of A. Jack Nussbaum, who now is NALU secretary.

Assisting Messrs. Schroder and Miller are Richard P. McGuire, Massachusetts Mutual, Racine, president-elect of the Wisconsin

Association; and state past presidents Charles Tomlinson, Bankers of Iowa, Madison; William H. Pryor, Connecticut Mutual, Milwaukee; E. C. Ebersol, North American Life & Casualty, Milwaukee, and R. M. Vetter, Continental Assurance, Madison.

See Hope for Making New York's Section 213 Understandable

Leffert Holz, the new insurance superintendent in New York, feels that section 213, the expense limitations law, is incomprehensible and should be clarified, Spencer McCarty, Provident Mutual, Albany, told the compensation committee at its session at the NALU annual meeting. Mr. McCarty, however, emphasized that he was using the word "hope" rather than "encouragement" as applied to the prospects for a change in 213.

Stanley C. Collins, Metropolitan Life, Buffalo, NALU vice-president and committee chairman, said probably a revision would mean no windfall in increased commissions but it would be a fine thing to be able to know what is available for companies to pay to the field force—something that is at present extremely difficult to determine.

Mr. McCarty said there are those who think there are advantages in having section 213 incomprehensible but conscientious company officers do not want confusion. He and Mr. Collins agreed that the complexity is due in large measure to New York's insistence on regulating expenses as a means of controlling costs to the public and it is virtually impossible to embody this concept in a simple, easy-to-understand statute.

Miles Attends NALU Sessions

Provident L. & A.'s home office is represented by Sam E. Miles, vice-president and secretary, during the NALU sessions.



Immersed in conventioning, Percy W. Schall Jr., Manufacturers Life, Baltimore; Alf Kinch, agency vice-president of Manufacturers Life; William King, Fidelity Mutual Life general agent at St. Louis and general convention chairman, and T. H. Neville, agency superintendent of Manufacturers.

Thiemann Tells How Advertising Helps Agents Make More Effective Use of Time

By A. H. THIEMANN

Unlike my colleagues on this panel, I represent an association without a staff and without a headquarters. The president is located in New York, the vice-president in Atlanta, the secretary in Toronto, the treasurer in Hartford and the editor in Des Moines. And yet we are a homogeneous and thriving organization of some 425 individual members from 215 legal reserve life insurance companies in the United States and Canada.

First of all, how do our two organizations, LAA and NALU, fit together? Here is an example. Several of our members who, incidentally, happen to be vice-presidents in charge of public relations for their companies, are cooperating with your NALU staff to help make this convention a success. They have made available their special talents and experience both in connection with the program and with press relations. I know that LAA members in Boston and New Orleans have cooperated similarly in the past. LAA men and women are in the habit of being called on for help.

Some of you may be asking yourselves how you could get similar cooperation at the local level. Here is a suggestion. If you are located in a city where there are also members of the Life Insurance Advertisers Assn. I suggest that you approach them directly. Your national headquarters has a roster of our membership, in case you don't know who they are. They are experts in communication—advertising, sales promotion and public relations. While I can't speak for them as individuals, I do know that you will find them generally willing to do all that they can. After all, we are engaged in a common cause—to promote and advance the life insurance business.

In the broad area of cooperation may I also suggest a continuing and closer liaison between the institutional relations committee of LAA and NALU. We might explore the areas where we could be mutually helpful. For example, a number of years ago a problem arose in connection with publicity for those who received the national quality award. The companies

were getting out their own press releases and the newspaper editors were swamped. It was agreed to let the local life underwriters' associations handle all such publicity, and the companies, at the suggestion of LAA, stopped sending releases in cities where there were local associations. Everyone benefited from the cooperation.

It is in their daily work that the members of LAA are best able to help you men in the field. The better we in LAA do our job, the more productive should be your efforts. The purpose of LAA is to help us do a still better job. A great many factors have contributed to the increased volume of life insurance sales this year, but I venture to suggest that improved advertising may also have played a part.

How advertising helps the agent was explained by A. H. Thiemann, 2nd vice-president of New York Life and president of Life Insurance Advertisers Assn., at the panel conducted by Managing Director Lester O. Schriber at the final general convention session Friday at the NALU meeting in St. Louis.



A. H. Thiemann

Mr. Thiemann also told how local associations can benefit through getting the cooperation of members of the advertisers' association, as has been done in New Orleans and Boston, for example. He suggested a continuing and closer liaison between NALU and the institutional relations committee of LAA, saying that "we might explore the areas where we could be mutually helpful."

One way to look at life insurance advertising is as an inexpensive means of reminding millions of people of their need for life insurance. For only about four cents a life insurance sales message can be put in front of a prospect every month for a whole year. He should

become more favorably disposed towards putting some of his dollars into premiums rather than into a new car, or refrigerator, or dish washer. All of this pre-selling benefits the agent when he calls.

It has been said that an agent's most valuable asset is his time. Advertising simply enables an agent to use his time to better advantage. Its purpose is to help the agent and not, as some people seem to think, to do the agent's job for him. Advertising should not be expected to get the prospect's signa-

ture on an application. Nor can advertising give an individual the personalized advice he can expect from an agent. In other words, the men and women in LAA know that they can't do your job. But they can help you.

I would like to suggest another difference between the advertising and selling of life insurance because it so often is overlooked. An agent can proceed in an orderly way through the sales interview to the close. The rules of common

(CONTINUED ON PAGE 43)



You won't find any fine print in a general agency contract with

Lafayette Life...

instead, just look at the benefits you get:

Top commissions... lifetime renewals... full vesting of renewals... no collection penalties (death, retirement, or termination) ... and a generous pension plan. Lafayette keeps you happy with this sound, fair, easy-to-understand contract; with active, friendly support through modern sales tools, progressive merchandising methods, interim financing, and a liberal, realistic compensation plan. Get the benefits of a no-fine-print contract. Join Lafayette now. Write in confidence to M. V. Goken, Director of agencies...

Lafayette
LIFE INSURANCE COMPANY
LAFAYETTE, INDIANA

Inquiries invited from Indiana, Ohio, Illinois, Michigan, Iowa, Nebraska, Missouri, Pennsylvania, Wisconsin, Kentucky, Virginia, Texas, Tennessee, Colorado, Wyoming, Minnesota and adjacent states.



Lincoln National trio, awaiting opening of convention session: Jack E. Rawles, 2nd vice-president; Lester S. Becker, St. Louis general agent, and Willard C. Brudi, 2nd vice-president.



SCHROEDER HOTELS

HOTEL SCHROEDERMilwaukee
HOTEL ASTORMilwaukee
HOTEL NORTHLANDGreen Bay
HOTEL LORAINMadison
HOTEL RETLAWFond du Lac
HOTEL CALUMETFond du Lac
HOTEL WAUSAUWausau
HOTEL DULUTHDuluth, Minn.
HOTEL VINCENT	Benton Harbor, Mich.

'Make Yourself Comfortable,' G. S. Cutini Tells Life Underwriters at St. Louis

BY G. S. CUTINI

Please don't take the title of this talk to mean "take it easy." The title "Make Yourself Comfortable" should suggest a relief from tension—making yourself at ease.

All of us like to feel comfortable. All of us want relief from tension. All animals seek such relief. We must have conditions suitable to our growth; when we become subject to tension, we become frustrated, and we suffer. Everything we do in life we do because we want to feel comfortable. It gets warm; we take off our coats. It gets cool; we put coal on the fire. We're high-balling down the highway at excessive speed—an emergency situation presents itself, we become uncomfortable—so we apply the brakes, and sigh with relief. This sense of well being—of being comfortable—is necessary in our social and business contacts, too. And so, I wish to talk today on the subject, "Make Yourself Comfortable—through Education."

Education, to me, means "acquiring information which makes it possible for me to adapt to my surroundings," or, more inclusive, "to adapt to the surroundings in which I wish to place myself." Let's take a couple of examples to

illustrate: A foreigner comes to America. He finds himself frustrated because he can't make himself understood. Since he did not acquire information prior to his coming to America, he must do so after arrival if he would feel comfortable. A young man wants to become a lawyer. He wants to feel comfortable in the courtroom, in the social and business life of the legal profession. There's one way for him to become comfortable—that is to acquire information so that he will understand the law. An agent wants to be a successful life underwriter. There's only one way for him to feel comfortable while seated before prospects—for that is where he does his work—and that is to become informed, to acquire information which will make it possible for him to adapt to his surroundings, or to the surroundings in which he wishes to place himself. Of course, he can become comfortable by other means. This relieving tension does not require, necessarily, that you become competent—that you acquire information—knowledge and skill—so that you can adapt to the problems and people in your life.

There are many agents involved in worry over some of the recent talk and writing on: Ordinary ver-

sus weekly premium; group versus ordinary; pension trusts versus group; variable annuities versus regular annuities; etc. (This list could be expanded.) But are these a valid cause for worry for the agent? Shouldn't they, rather, be

accepted as proof that we still belong to a dynamic, growing business—in a growing economy? Change and diversity is the American character.

All of these controversies and in-

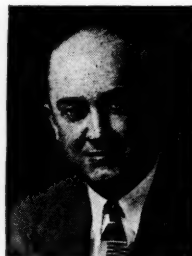
(CONTINUED ON PAGE 44)



The two candidates for secretary of NALU, shown in a non-competitive pose—M. W. Peterson, Lincoln National Life, Charlotte, N. C., and Albert C. Adams, John Hancock Mutual, Philadelphia.

Greetings

to the 1955 NALU Convention
from **CAL-WESTERN'S**
"MILLIONAIRES!"



GRANT TAGGART
COWLEY, WYOMING
Life Member; Past
Chairman, Million Dollar
Round Table and Past
President, NALU



BRYAN C. STANGLE
SEATTLE, WASH.
Life and
1955 Qualifying Member



ALFRED E. GAUMER
RED BLUFF, CALIF.
Life Member



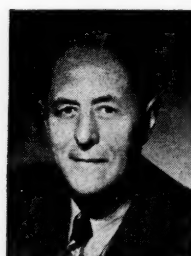
J. J. (HAP) HALLAHAN
DALLAS, TEXAS
Life Member



J. EDGAR NELSON
LOS ANGELES, CALIF.
Life Member



R. BRUCE PARKER
SAN ANTONIO, TEXAS
Life Member



BERT J. SCHAEFER
SAN DIEGO, CALIF.
1955 Qualifying Member



SOL M. MINZER
DALLAS, TEXAS
1955 Qualifying Member



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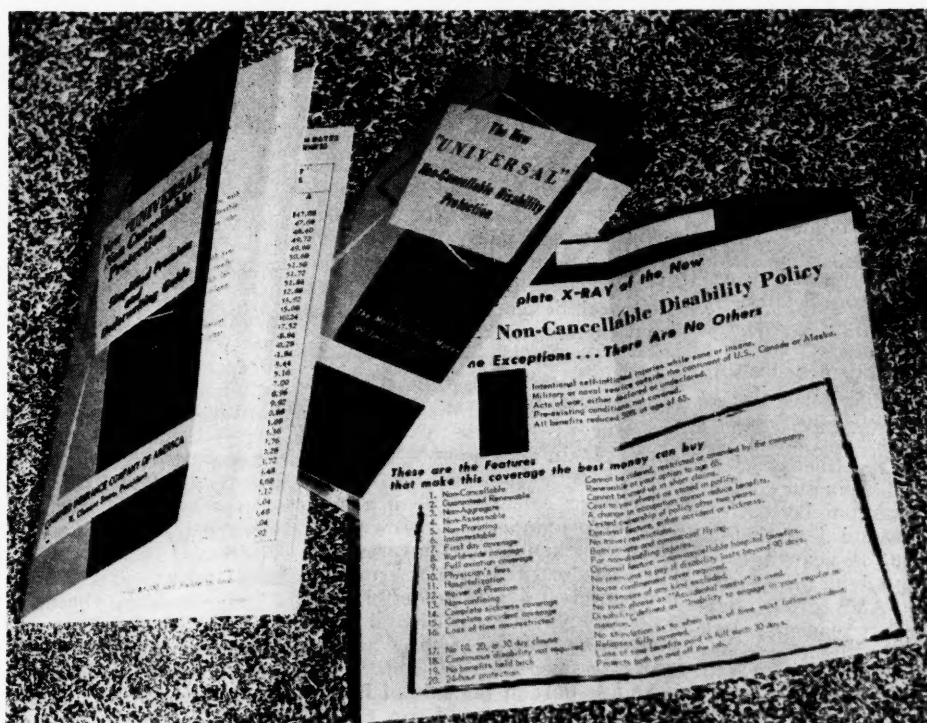
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Rosser Urges Agents to Develop New Approaches and Sales Techniques

By THOMAS B. ROSSER

If you people are expecting to hear something new, I am afraid you will be disappointed, as everything I do in this business I have learned from reading or from listening to other good life insurance men. When I read or hear of an idea, I try it out immediately—if it works, I develop it—if it doesn't, I forget it.

I have learned that you do not become a salesman until the prospect says "no." That's where luck ends and salesmanship begins.

I must continually develop new and interesting ways to say the same things. For instance, we can tell a "gal" that "when I look into your eyes time stands still" and she will go for it. But try telling her that her "face would stop a clock" and see what happens.

And next I must develop approaches and sales techniques that will get the job done fast. You know what the college boys say, "Candy is dandy, but liquor is quicker."

What I have to say can be summed up under three headings—"good planning," "good service" and I hope "good underwriting."

I started in this business back in the depression days, when if you wanted to eat you had to produce. That was before LUTC and CLU and before we had the efficient training programs from our companies that we have today. After some moving around I settled in Dyersburg, Tenn., 18 years ago.

Since I collect a debit along with selling ordinary, A&S, group, hospital and surgical, I plan my work to take care of the debit at times when selling is not so good. For instance, Monday morning is a bad time to call on business people and from 11:30 a.m. to 3 p.m. is slow every day—so I do my debit work during these hours. It works for me, as I have had no arrears on my debit for four years. My debit is all over town so I can't tell you what my percentage of my business comes from the debit but I can show you families who still pay me weekly premiums and have up to \$300,000 ordinary in force as well as A&S and hospital and surgical.

I have a busy and happy life and feel that I am a respected citizen because I know everybody in town and they have gradually come to depend on me to take care of their insurance needs. I have not subjected them to so-called "high pressure" and they are not afraid to discuss insurance with me.

At one time this created a problem and caused me to use very direct and blunt methods of selling. I never knew whether the man wanted to "buy or talk." So I devised a method of finding out and to keep me from wasting time. The obvious

thing seemed to "just ask," so most of my opening remarks are built around the question "Are you a prospect for life insurance?", whether I make the call or am stopped on the street for a conversation about life insurance. The question is so direct that you usually get a truthful answer. He has no time to prepare a defense. He will hardly ever say "yes" but if he doesn't say "no" you probably have a prospect.

I recently called on the president of a chain grocery and as I came in he said, "Hello, Tom, what's on your mind?" I replied, "Life insurance, just like groceries are on your mind." Again I called on a man who had just bought a busi-

Thomas B. Rosser addressed the Friday morning session as part of the series of talks on the street agent speaks. Mr. Rosser, agent for Metropolitan Life at Dyersburg, Tenn., said that an agent must develop new and interesting ways of saying the same things and further he must develop approaches and sales techniques that will get the job done fast.

ness and asked him, "Did the purchase of this business create a need for you to increase your insurance?" It did and he bought it.

My reputation is laid on the line with every sale I make—if a man dies the people in my town want to know if I handled his insurance—not idle curiosity, but country town interest—so I had better have a good explanation if I handled his insurance and his family is not properly taken care of. This is my deadliest dart in the sale of family protection insurance. I can call on a friend and say: "George, if Sam Jones died, you would naturally ask me if his wife and children would be taken care of all right. All of his other friends would ask the same question. I am happy to report that Sam's family would be well taken care of if he died. Now if you die these same questions will be asked—what do you want me to tell them about your family if you don't follow my recommendations?"

I use an insurance analysis along with social security when canvassing families of good or high income. These people are more interested in the advantages of social security for they are in better position to appreciate tax-free dollars. We all know that people are impractical—that's why there are so many overweight doctors and underinsured insurance men. They spend twice as much as they should for modern conveniences and half as much as they should for security for their families and themselves. Today with the term riders and



Oren D. Pritchard, Union Central Life, Indianapolis; Taylor Bigbie, NALU associate counsel, pictured with Elsie S. Doyle, Union Central, Cincinnati, a trustee of NALU.

family security plans we can develop comprehensive insurance programs and keep the premiums at reasonable levels.

One of my most effective services is the annual cost analysis. Once a year I call on my larger policyholders and show them how much of their premium dollar is still in their possession and represented by the cash value of their policies. I can then say: "Mr. Jones, last year you paid my company \$8600 and we put \$7900 of it back into your cash values and you were only out of pocket \$700. Can't you afford \$700 per year for insurance?"

I am asked many times how I overcome the objection, "I can't afford it." Well I just don't call on people who can't afford it. If I want to know how much a man earns—I just ask him and nine times out of ten he will tell me—and then I know.

In prospecting for business insurance I have a plan that works. The heads of firms nearly always have wives and after deciding which would be the most difficult to deal with, I call one of the other partners and officers and say, "How would you like to be in business with her?"

In the sale of business insurance I always try to sell through the accountant or attorney instead of around him. I show him why it is better for him to make the recommendation, letting him know politely that I will do it if he does not. When the meeting is called for the consideration of the plan he does not have to pick it to pieces to justify his existence. He gets credit for the recommendation. I get credit for the sale and the commission—and you can hardly get a better deal than that.

I never canvass for insurance on the basis of net costs or the technical terms of the life insurance business. I believe the prospect is only interested in what the insurance will do for his family, his business, his estate or himself and he will not inject the technicalities unless you do it for him.

I never use a rate book when canvassing for larger policies. If the prospect wants to know what it costs him or what the initial premium is, I assure him that it will be within his ability to pay and will

certainly be competitive. As many of you know, the home office does not always issue at the premium we quote and if we have not stated a premium, the job of placing a rated policy is easy. The underwriters make the rates, I don't.

Craig Gives Tips on How Manager Can Build Efficiency

Appearing as a panelist before the agents forum Tuesday, W. Thomas Craig, Los Angeles general agent for Aetna Life, made six suggestions as to how the agency manager can increase and maintain the effectiveness of his organization:

(1) Bring into agency the right type of salesman. For too many years the public has had the feeling the wrong type of agent has been brought into the business.

(2) Provide the new man with the sort of training that will make him a well-qualified salesman, with the ability to do a proper service job for the insurance buyer.

(3) Provide the proper direction and supervision for agents and back this up with field assistance and sales counsel of a continuing nature.

(4) Provide the inspiration, enthusiasm and motivation to drive the agent to greater confidence and success.

(5) Build prestige in the community for the agency and company and assist agents to get into the sort of activities that will make them widely and favorably known.

(6) The general agent also should keep himself well-informed so that he at all times can provide his associates with the sort of assistance that will mean additional sales for them. Lack of training facilities for the general agent, according to the speaker, is the weakest link in the agency system chain.

Guarantee Mutual Life Visitors

President Ralph E. Kiplinger, Everett L. Chambers, vice-president and secretary, and Agency Vice-president J. D. Anderson are representing the home office of Guarantee Mutual Life of Omaha at the convention.

McMillon Misses No Bets in Clinching Loyalty of Clients

Among the problems of life insurance that face the new men who enter the field, according to R. L. McMillon, Business Men's Assurance, Abilene, Tex., are:



R. L. McMillon

What about all the education insurance men are always recommending; what about prospecting; what about

all the new policies and the sales meetings that accompany them; and what about all the second and third year failures there are in the business?

Speaking at the National Assn. of Life Underwriters convention at St. Louis, Mr. McMillon outlined these and ideas for prospecting he has used in the business.

He said he believes it is possible to educate a salesman too fast, but education is necessary so an agent can sell in depth—as contrasted with selling horizontally—meaning reselling present clients. To sell in depth the agent must be aware of the latest trends in programming, taxes, estate planning, and up-to-date methods of presenting his product to the public. Continuous education is necessary, but it is not the greatest problem that faces the life insurance business, he said.

The problem of prospecting is not 90% of the business, he said. If an agent has been in the business six months or even six weeks, he will know all he needs to know about prospecting.

In regard to new policies and the sales meetings to introduce them,

Mr. McMillon said he is in favor of new policies from a competitive standpoint, but "as a matter of fact, we already have more policies in our rate book than I know how to sell."

He said when a new policy comes out the company has a regional sales meeting at which a home office man or the manager tells of the great beauties of the new policy and how it will make the agents rich.

"My wife and I sit there in the audience," Mr. McMillon said, "and we leave there with such enthusiasm that on the way home I grip the steering wheel and I look at my wife and say 'we are out of debt now, we are going to get rich on that one policy they showed us today.' We are boiling over with enthusiasm as we drive 200 miles from Dallas to Abilene. But what happens? When we drive in the driveway, the dog is gone, the cat is out, and the baby is still wetting his diapers. We are back in the same old rut in two days."

Mr. McMillon said what he wants to get out of sales meetings is how he can take the business he has and get more business and keep it on the books.

"Now, I want to talk to you about the second and third year failures. You are looking at a man who was not a second or third year failure, but who was a first, second, third, and fourth year failure in this business. I would emphasize to you right off the bat," he went on, "that the fact that I was a failure in the insurance business for the first four years was not because there was anything wrong with the life insurance business, or my management, or my company. It was all because there was something wrong with R. L. McMillon."

"I have letters in my files at Abilene which show that my manager tried to fire me three times. Each time he would write me and suggest that I should do something

else, I would get in the car and drive to Dallas and say, 'Look here, Mr. Hoag, I got in this business to make it a career.' And he would say, 'All right go back home and go to work.' And I would go back home and get a little further in debt. The first year I was in the business, my statement shows I made about \$1,600. The second year I made about \$2,200, and the third year I made approximately \$3,000. During 1947 my daughter was born with the bottom of her stomach closed and we paid the doctor about \$100 a month for 20 months. When you do that and you're not making money, too, things happen to you fast."

Mr. McMillon said he talked over the problems with his wife and they decided to start the change in their lives by going to church and tithing to the church. Then they started to believe it was more blessed to give than to receive, and then they figured out the order of

importance in the business.

"What is the order of the business? First are the men and women who buy insurance, second, the salesmen; and then in order, management, and the company."

Using a Timken bearing to represent the many policies his company has to sell, the stick on which the bearing is mounted as the prestige he has in the business, and the bearing cup to represent a bright, shiny, new prospect, he explained his theory of "penetrating oil."

When the bright shiny prospect is fitted on the bearing, he does not move, but must be oiled with "good, old, down-to-earth human relations."

The process is not for wild-catters in the insurance business, but for the career men who want to work, live and die in their own communities as insurance men. It is a system that can do four things:

(CONTINUED ON PAGE 43)

The Guarantee Mutual Life Company Salutes Its 1955 National Quality Award Winners

... and the NALU for Sponsoring the NQA Program

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Charles W. Croley
Ben Gadd
Virgil R. Morris
Billy G. Ray
Philip P. Baird
Burgess W. Hopper
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Sam B. Starrett
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Boyd W. Flinders
William S. Hunt
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Phillip Wilson, John Hancock producer at St. Louis, shown between convention events with Clarence Wyatt, Hancock vice-president.

Basic Selling Techniques Discussed by J. S. Sierra as Four-Step Program

BY JOHNNY S. SIERRA

It's not nearly so tough to succeed in the life insurance business as it is to get in the life insurance business! When I was trying to get in, everyone was trying to keep me out. After I got in, everyone I met went all out to help me; in fact, some of my greatest help came from my competitors. What a business!!

After a district manager for a local company told me he couldn't take a chance on me, his local manager persuaded him to give me a limited chance. That manager, Mr. Huffstetler, is still my manager; and from that day to this, "Huff" has been the greatest influence for good in my whole life.

The company wouldn't give me

a contract, and they couldn't afford the expense of training me after so much evidence that I couldn't win; however, they gave me a chance to prove that they were mistaken. They said that if I could sell, I could sell polio policies. It required no training and no rate book. If I proved in three months that I was a salesman, they told me they would give me a contract to sell life insurance.

In a month and a half, I had sold 35 polio policies, and I had \$20,000 of life insurance to my credit. I can't say I sold the life insurance. I brought in signed applications and some money. There would be nothing on the application except the buyer's name; then my manager would go with me,



Quan Lun Ching, Prudential, Honolulu, Hawaii's lone representative and a candidate for trustee of NALU, shown at a National Council session with M. L. Alford, Gulf Life, Rome, Ga., and Joseph Webster Jr., Jefferson Standard, Savannah.

work the rate book magic and tell the man what he could get for \$5 a week or a month.

After a month and a half, the biggest problem and the toughest hurdle in my career was tackled—and solved.—I was given a contract. I was in the life insurance business!

I started like a house afire: an asbestos house in a cloudburst! Often it occurred to me that the eight managers and general agents who turned me down might have been right. One thing I learned for sure: the guy who named it "cold canvass" was right. He really knew his Fahrenheit! But the guy who said I was too young was in error. Youth isn't a malady; it's a temporary handicap.

I enrolled in the Southern Methodist University institute of insurance marketing as soon as I had the minimum field experience to qualify—six months. That was a real turning point for me. What an outstanding job of training they do! Bert Jaqua, through his teaching and training, has made contributions to the institution of life insurance that can be matched by few men in life insurance history; perhaps, by none.

Of course, I improved after my institute training. There is nothing remarkable about that. All of the boys who go there improve. We are required to make accurate time and effort reports and send copies to the institute throughout our training period. By the time one graduates, it is a fixed habit.

Because I have been well trained

and guided, I have been able to standardize my work habits: For six years, I have sent out three letters a day. I telephone all of the men to whom I send letters. Jimmy McFarland gave me my present telephone technique. In 1948, Bert Jaqua had brought him down to address our class. You'll find the whole thing in your DLB.

Out of these calls, on the average, I'll get one appointment; one nibble ("Call me again") and one, no good. I never try the tough ones. There are too many easy ones and they are too easy to get.

Almost all of my business comes from what you call "programming." In our agency, we call it "measuring jobs." It is a simple, standardized presentation. When I get to my prospect, I try to get through four steps as rapidly as possible. I never go to the next step unless we have agreement on all majors. As soon as I can, I say to him (step 1), "I want to talk with you about your life insurance."—That's all.—I shut up.—If he has some objections, I want to know them now. We have a list of all the possible objections. There are only eight. To all of them, we have one reply. It retires all possible objections: "Perhaps I didn't make myself clear. I have no reason for thinking that you are interested in buying additional life insurance. If you were going to buy some, I can think of no reason why you would now want to buy it from me. I meant to say, 'I want to talk with you about your life insurance.' You own some, don't you? Let's talk about it." Then to step 2:

"It is quite difficult to own life insurance correctly. Most men don't make it. In our business, we deal with the users as well as the buyers. In 90 of the cases, there is tragedy attendant on the pay-off; not because the life insurance is bad, but because of bad ownership of good life insurance." I'll illustrate only if it appears necessary, and go on to step 3 as quickly as possible.

If illustration seems indicated, I tell him that it is possible that he

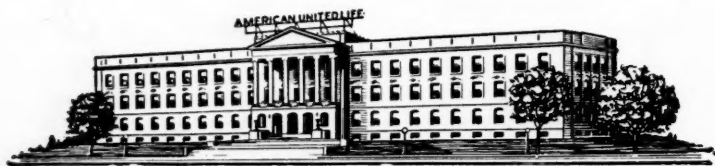
(CONTINUED ON PAGE 48)



a la carte Service

If you are thinking in terms of a "second company" for your surplus business or for placing business which your company does not accept, a look at American United Life's complete "a la carte" service may well be in order!

Pioneers in writing "rated" business, American United has a "\$25,000 Executive Special" policy (ratable and sold in 1/2 unit minimums) with low net payments as well as low net costs; a "Special Option" investment type policy where premium payments in later years may be reduced below ordinary life rates if desired; a "Major Medical Expense" policy with a \$7,500 benefit, that is a honey . . . just a few of the many services available on an "a la carte" basis. Your inquiry is invited.



AMERICAN UNITED LIFE INSURANCE COMPANY

INDIANAPOLIS, INDIANA

Assets over \$118 million, insurance in force over \$600 million

Speaking at the Thursday morning session, Johnny S. Sierra, agent in Dallas for Great Southern Life, discussed basic selling techniques. He stressed the fact that an agent must learn how to present life insurance in such a manner that it isn't necessary to sell it—the customer will buy it. The problem is to sell to people the recognition of the problems of life as it is for them. After the problem is set, the agent must present life insurance as the only solution.

H. R. Schultz Compares Business Insurance Then and Now; Discusses Changing Times

By HARRY R. SCHULTZ

While making preparation to be with you today, and going over material in an effort to bring you something that would be interesting, thought-provoking, and productive of additional commissions, I was impressed with the fact that we are, in our business, in an ever changing situation. In looking at then and now, as it relates to business life insurance, I had the feeling that change was perhaps even more drastic than in other things about our daily life.

You will remember that for many years we could only handle partnerships with cross insurance, so that if we had three partners,

have a 50% larger interest than they had before and definitely will need more life insurance. If they bought the policies from A's estate to be used for the partnership agreement, then under the old section 22 (b) (2) (A) the increment upon B or C's death would be subject to income tax.

You can readily see where 4, 5,

and 6 partners, or even more, would make this a greater complication.

That was then—but now under section 101 (a) (2) (B) of the 1954 internal revenue code, we have the privilege of transferring policies in a partnership from one partner to the other, or from the estate of the deceased partner to the surviving partner's, or to the partnership itself. This government assist is a great contribution to facilitating buy-and-sell agreements and is

serving as an additional impetus for the sale of our product.

Acceptance of a partnership in our courts, and from internal revenue rulings, as a single body similar to a corporation is invaluable where more than two partners are involved. This is commonly known as the entity theory for which we can forever be grateful.

The practical application of the entity theory has already been evidenced by the reaction that part-

(CONTINUED ON PAGE 30)

Comparing business insurance then and now, Harry R. Schultz,



Harry R. Schultz

agent at Chicago for Mutual Life of New York, addressed the Thursday morning session. He drew on his own experience for examples of the changes in business insurance needs and the presentation of different types of policies. He spoke of partnership policies, the entity theory, and the changes in the laws relating to this facet of the business.

A, B, and C—A would own policies on B and C; B would own policies on A and C; and, of course, C, on A and B. This totalled six policies.

Let us see what would have happened if A died. B and C would each collect the proceeds of their policies on A's life and buy A's interest from his estate. But remember, A's estate would own policies on B and C. What's to be done with these policies? Under the terms of a buy—and—sell agreement the business is going to be continued. B and C are going to



Robert C. Gilmore Jr., Mutual Benefit Life, Bridgeport, Conn., immediate past president of NALU, chatting with the NALU vice-president, Stanley C. Collins, Metropolitan Life, Buffalo.

NOW!

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Today's PENSION TRUST Market

■ GUARANTEED ISSUE — No premium increase

Up to \$20,000 life insurance
(\$10,000 in Iowa, Mississippi, Oklahoma)

No evidence of insurability: groups of 25 or more, with at least 90% of eligible employees participating, minimum volume \$125,000

Disability Waiver and Accidental Death benefit considered if all participants qualified under regular limits are covered

■ FLEXIBLE COMBINATION PLANS

Fixed maturity value providing \$2.50 monthly income per \$1,000 insurance, any issue age

At maturity, policy may be converted to Retirement Income providing up to \$20 monthly income

Funds to effect conversion may be deposited with the Company or may be self-administered

■ FLEXIBLE RETIREMENT OPTION

Income may be advanced (not over 5 years) or deferred to accommodate actual retirement

■ OTHER NEW FEATURES

Automatic issue to cover increases up to \$2,000 on plans examined for initial issue

Profit Sharing funds may be deposited with the Company to provide income at retirement

Final adjustment of monthly retirement income to nearest \$1.00 for closest relationship to salary

Basic option may be written to provide income for 10, 5, or no years stipulated

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THE POLICYHOLDER'S LIFE INSURANCE COMPANY

LIFE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS

NO IMPERSONAL ENTITY

Gutmann Deplores 'Bandwagon Tactics' of Life Companies

Any agent who has a son coming into the business had better think of training him for the more substantial estate planning or business needs sale on the one hand, or, on the other, for the mass-coverage fields of group and pension business, said Harry K. Gutmann, Mutual of New York, past president of the New York City Life Underwriters Assn., at the agents' forum conducted at the NALU meeting in St. Louis under the aegis of the agents' committee, headed by William H. Pryor, Connecticut Mutual, Milwaukee. Mr. Gutmann expressed disappointment at the "bandwagon tactics" of companies that have gone along with increases in group limits. Here's how he set forth his views:

It is difficult for those of us who have been the field men of the agency system over the past decades to conceive that our services are anything less than indispensable to the sale of life insurance. Yes, social security and group life have made, and are continuing to make inroads into the areas of our normal activity, but until recently, and continuing even now there has been a sales interplay between the group sale and the individual sale. One hand feeds the other, so to

Earl M. Schwemm, Great-West Life, Chicago; C. E. Gaines, associate director of the Southern Methodist University institute, and Hugh Bell, Equitable of Iowa, Seattle, pictured before one of the convention booths.



speaking. Thus there has not been too much concern among us agents. We have not been entirely silent; our social security and group committees have issued periodic warnings against the spread of both. And we have met with the high councils of the companies on the problems involved. Probably the kindest description I could give the situation in which we find ourselves today is one of "competitive, confused flux."

I do not believe that our great first-line conservative companies have set out wilfully to destroy the agency system as we have known it. If I read the signs of the times correctly, the trends of our economy are buffeting about even our great insurance institutions. In addition, smaller and newer companies, determined to unseat the insurance royalty of the past, have thumbed their noses at tradition, and assumed the Louis-Graziano pose of fistic combat rather than that of Gentleman Jim Corbett. It seems surprising that the mouse should scare the lion, but, frankly, isn't that what has seemed to hap-

pen? It does seem as though our napping colossi were caught off guard, took a beauty smack-dab on the chin and, in a temporary and current daze, have fought back wildly and convulsively. Were it not for the potential dire consequences to the agency system, it would be humorous to watch our traditional greats fighting the fight of the "Johnny-come-latelies" instead of the other way around.

It has been disappointing to the traditional agent to witness the bandwagon tactics of his companies. We have verbalized our objections to soaring group limits, we have chided our companies for embracing credit and mutual fund institutions, we have pleaded with our politicians to stay the social security tide. Fortunately we are realists—most of us—and subscribers to the theory of "devil take the hindmost," as witness the fine attendance at the room-hopping Million Dollar Round Table session on group at White Sulphur a month or two ago.

Let's not kid ourselves, the pocketbook theory is our prime guide to sales action. "Who profits most" is still the motif for company, for G.A., and for agent. As for the public—and let us not overlook our clients—they will be served, even if they do not know what they want, so long as it's cheaper and mass-produced.

But what of that son you're thinking of bringing into your business? You and I are transitional agents and double beneficiaries of the policy sale and the group sale. In his behalf I would caution you to train him for the more substantial estate-plan or business-needs sale on the one hand, or, on the other, prepare him for the mass-coverage field group and pension benefits. Perhaps that group vice-president who pronounced—not too long ago—that a man's basic insurance needs would be wrapped up in one group package wasn't too far off base. Be that as it may, I have no intentions of going out of the life insurance business. It's still a very rewarding occupation—financially and spiritually!

NALU Takes Interest in Two Agent Tax Cases

NALU may interest itself in two court cases where agents are seeking a refund of federal income taxes paid on commissions received by them on policies they purchased on their own lives.

The committee on federal law and legislation, meeting Monday with Gerard S. Brown, Penn Mutual, Chicago, in the chair, directed the chairman and Carlyle M. Dunaway, NALU counsel, to recommend that the board of trustees take steps preparatory to filing amicus curiae briefs in cases filed in district courts in Pennsylvania and New York.

Such a tax on commissions resulting from an agent's personal insurance was described as the taxing of a courtesy discount. Late last spring the revenue service took the position that such commissions should be taxed. The two court cases involve attempts to reverse this ruling, and the committee members expressed themselves as feeling the matter is of such importance to all agents that NALU should intervene.

The committee also reaffirmed its stand with respect to individual retirement plan legislation, the Jenkins-Keogh proposal, and also indicated NALU will carry its protestations over elimination of applying the "outside salesman" section of the tax code to debit agents. A hearing on the latter matter is scheduled for some time in September, and NALU will be represented.

Set Pentagon Conference on Military Base Sales

A conference has been set Sept. 13-14 at the Pentagon at which the sale of insurance on military reservations will be considered, it was brought out at the meeting Monday of the committee on affairs of veterans and servicemen.

Louis J. Grayson, Travelers, Washington, the chairman, said the NALU will have representatives on hand. He said the conference will furnish data for a study of the need of tightening regulations over insurance sales on military bases.

It also was brought out in the discussion that NALU is about the only organization that is opposing the high level of benefits called for under H.R. 7089, the proposed servicemen's and veteran's benefits legislation that was reported out favorably by the house committee last June.

American United Life Delegates

American United Life delegates to the convention are Brady Minnis, assistant superintendent of agencies, Emil C. Rassmann, advertising manager, and Robert B. Thompson, superintendent of agencies.

Berkshire Life Delegate

Berkshire Life's home office delegate to the convention is Assistant Superintendent of Agencies Clair A. Bernard.

Presenting...



Our 1955 National Quality Award Winners

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John J. O'Malley
Hayden R. Parker
Michael J. Shanley
Kenneth P. Sheppard
R. E. Sheppard
INDIANA
Louis M. Carr
Francis H. Davis
Eugene K. Druart
Russell Farmer

Harry Fleenor
Harry Huston
D. R. Johnson
Nate Kaufman*
James B. Lee
Curtis McClelland
W. G. McClelland
A. R. Meyer*
Doyal E. Plunkitt
William H. Plymate
Clyde W. Raub
Joseph B. Rowekamp

Charles A. Stuckey
Julian W. Schwab†
IOWA
Arthur J. Goodman
OHIO
Norman D. Edwards
E. Lowell Rife
Peter Scaffidi
MICHIGAN
Guy E. Fairfield
Lewis H. Vande Bunte
MINNESOTA
Robert E. Hansen

Ernest Herzog*
Arthur M. Klinefelter
Raymond E. Wick
TEXAS
Finck Dorman*
Paul Hamon
C. B. Ingram, Jr.
Malvern Marks*
Edgar T. Russell*
H. Bruce Veazey*†
†Deceased
*Qualified for 10 years or longer

WALTER H. HUEHL, President ARNOLD BERG, C. L. U., Agency Vice-President

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Mutual—Established 1905

INDIANAPOLIS 7, INDIANA

AGENCY OPPORTUNITIES in Illinois, Iowa, Ohio, Michigan, Minnesota, Missouri, North Dakota, Texas, Wisconsin

Board Names Six New Trustees to American College

Six new trustees of American College were named at the board's annual meeting in St. Louis.



Herbert C. Graebner

Elected to regular terms are Herbert C. Graebner, who was named dean of the college last year in Boston; Gerald W. Page, general agent of Provident Mutual, Los Angeles and past president of American Society of CLU; and Edmund L. Zalinski, vice-president of John Hancock.

Ex-officio members are Harry Krueger, 1st vice-president of



Gerald W. Page



Edmund L. Zalinski

American Society and general agent of Northwestern Mutual, New York City; R. R. Davenport, president of LIAMA and vice-president and agency director of Southwestern Life; and Herbert R. Hill, president of LUTC and manager, Life of Virginia, Richmond.

Trustees reelected are Chester O. Fischer, vice-president of Massachusetts Mutual Life; William E. Hays, general agent of New England Mutual, Boston; Clarence B. Metzger, 2nd vice-president of Equitable Society; Henry E. North, vice-president of Metropolitan Life; and Charles J. Zimmerman, managing director of LIAMA.

During the past fiscal year, American College lost two trustees by death, J. Stanley Edwards, a life trustee who was an original incorporator of American College in 1927 and retired general agent of Aetna Life, Denver; and W. T. Grant, chairman of Business Men's Assurance.

Metropolitan Life Home Office Officials Attend Convention

The home office of Metropolitan Life is represented here by A. Rogers Maynard, 2nd vice-president; Alexander Hutchinson, superintendent of agencies—southwestern territory; Wilbur W. Hartshorn, superintendent of agencies—Great Lakes territory; Karl H. Kreder, 3rd vice-president; Eugene F. Ryan, division supervisor of field training for southwestern territory;

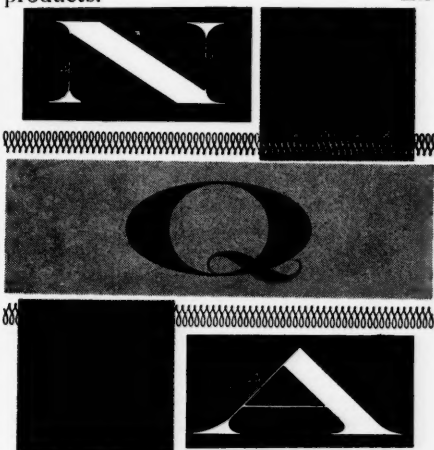
Gerald Spahn and John Heuvelman, territorial field supervisors for southwestern territory; Joseph F. Gentile, field training supervisor for southwestern territory; and J. E. Williston, home office supervisor—southwestern territory.

Headquarters for Metropolitan Life agents at the convention is in the Jefferson Hotel.

General American Has Courtesy Booth

General American Life of St. Louis has an elaborately set up "courtesy booth" on the mezzanine floor of the NALU convention hotel. Under the supervision of A. W. Evans, director of personnel, it is staffed by Ruth Gradolf and Bille Huff of the home office.

The booth acts as a clearing house for messages and has an array of home-town newspapers for the benefit of out-of-towners. There is also a display of St. Louis products.



B. B. MacFarlane New Chairman of Women's Table

B. B. MacFarlane, Pan-American Life, New Orleans, was elected chairman of Women's Quarter Million Dollar Round Table at its meeting during the NALU convention in St. Louis. She replaces Florence M. McConnell, John Hancock Mutual, Galesburg, Ill.

The new vice-chairman is Alberta Light, National Life of Vermont, Detroit. Helen Rupp, Prudential, St. Paul, and Hedwig Eichenburg, Kansas City Life, Kansas City, were elected to the executive committee.

Named to the nominating committee, in addition to the immediate past chairman, were Miss MacFarlane, Norma Wasson Bard, Phoenix Mutual Life, Los Angeles; Ava Sweaza, New England Mutual Life, St. Louis, and Hazel Herr-

meyer, Penn Mutual Life, Minneapolis. Mrs. Bard heads the nominating committee.

Hancock Twice Host

John Hancock was host at two receptions in honor of two of its people who are heads of NALU subsidiaries. The company was host Monday evening at a reception for M. L. Camps, general agent at New York, chairman of General Agents & Managers Conference, and Tuesday evening for Florence McConnell of Galesburg, Ill., Quarter Million Dollar Round Table.

GAMC Certificates Unveiled

Certificates attesting to the completion of the 12-week course in agency management run by General Agents & Managers Conference were unveiled at the GAMC meeting at St. Louis this week. Recipients must have attended at least nine out of the 12 sessions.

NATIONAL QUALITY AWARD FOR 1955

Thirty-two members of Bankers Life of Nebraska's sales organization qualified for the 1955 National Quality Award. We are proud of the degree of excellence in field underwriting they have achieved which merits this coveted recognition.

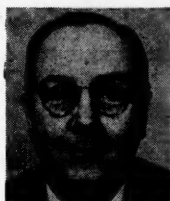
We are especially pleased to recognize the nine men whose consistent superiority of service to policyholders, Company and industry places them in the select group of life underwriters who have earned this award for five or more years.

11 YEARS



Carl Lutz
Fairbury, Nebr.

8 YEARS



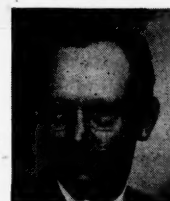
G. G. Norvell
Spencer, Iowa

7 YEARS



J. H. Brown, C.L.U.
Pittsburgh, Pa.

7 YEARS



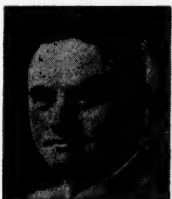
H. W. Krumwiede
Sioux City, Iowa

7 YEARS



E. P. Nispel
Fairbury, Nebr.

7 YEARS



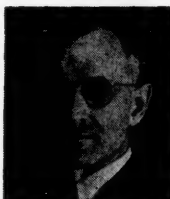
F. A. Sullo
Jackson, Mich.

6 YEARS



H. M. Koepke
Hastings, Nebr.

5 YEARS



E. E. Parminter
Norfolk, Nebr.

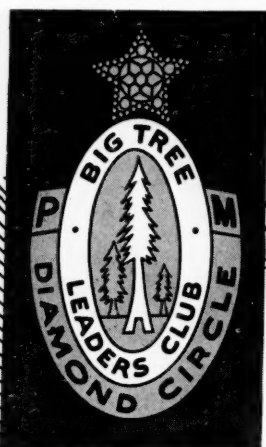
5 YEARS



D. P. Fansler
Fresno, Cal.

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COMPANY of Nebraska



Because they practice the high type of field representation your organization has inspired throughout its 66 years, Pacific Mutual proudly presents to the membership of the National Association of Life Underwriters the 1955 Diamond Circle Leaders of the Big Tree Club—

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R. Earl Denman
Wm. Richard Balkin
Abram L. Geller
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Chester Ashford
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Herbert W. Wiedemann
W. Harlow Edwards
Daniel D. Franzblau
N. A. Herberts
George McCoy
John T. Eschels
Edgar M. Richardson
Walter L. Strand
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Wallace J. Champlain
Arnett Lovejoy
Abner A. Waxman
Roger M. Coffin
Bernard D. Corwin
Fred L. Hirsch
Thos. F. Borden
Emily W. Thompson
Arthur K. Coty
Maurice F. Bradley
Ransom E. Strickland

THE CHARGE

I. First, that you continue to conduct your affairs in such a manner that the prestige of membership in the "Diamond Circle" will be a goal that others will sincerely desire and strive to attain.

II. Second, that you continue to maintain a pace that will serve as an inspiration and a challenge; for such is the role of a true "Pace Maker."

III. Third, that your power of example in all things be directed toward encouraging your fellow underwriters, from whom you have been singled, that they also will aspire to achieve similar recognition.

IV. Lastly, you are charged with the diligent preservation of your exceptional abilities and an enduring dedication to your profession.

Pacific Mutual

Life Insurance Company

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N. A. L. U.

WE HOPE YOUR CONVENTION WILL BE
SUCCESSFUL AND YOUR STAY PLEASANT.

J. S. GOULD, President

THE RELIABLE LIFE

"It's Name Is Its Motto"

Three Sons of CLUs, Two Presidents Win CLU Designations

Three sons of CLUs, two life company presidents and two members of CLU headquarters staff received CLU designations at the annual conferment dinner and exercises Wednesday night in St. Louis.

Joseph H. Reese Jr., associated with his father who is general agent of Penn Mutual Life in Philadelphia and secretary of American



College, is one of the sons. His father is a member of the class of 1930. Another son is David McCahan Jr. His father, who was president of American College and a prominent insurance educator, died in 1954. John L. Tabor, who finished his examinations in 1951, this year has the experience to qualify for his designation. His father, Maurice S. Tabor, is a member of the class of 1928 and his brother, Robert G. Tabor, received his CLU designation last year. They are with Travelers in Buffalo.

The life company presidents are Louis M. Gregory, Lee National Life, Shreveport, and Leslie G. Huff, American Founders Life.

Mrs. Helen L. Schmidt, administrative assistant of American College, and Robert K. Gross, business manager of American Society, are the headquarters staff members.

The registration board of the college approved 399 persons for designations when the list was first released, and a few additional names were approved at the final meeting in St. Louis. On the first list, 374 received CLU designations and 26 were approved as CLU associates.

Gladden Discusses Methods for Closing Income Package Sale

By ROBERT E. GLADDEN

As I look back a short five years to the time I entered the life insurance business, I can vividly feel the weight of my first big problem—prospecting. After six months of frustration I came upon a system that I felt would work for me.

I began to realize that I had to have a steady flow of new names across my desk each week. By sending 100 direct mail names in each week I would average 10 replies. By stopping at the county court house once each week I could secure 10 new marriage leads and asking for referred leads from everyone I saw would yield an average of 10 names per week, plus what I would pick up from personal observation.

Now I had a steady flow of prospects and my next problem was the approach. I decided to use the telephone to line up my appointments for the week, so I worked out a telephone approach for marriages and referred leads, using the direct mail leads to fill in where I had no appointments.

This system worked and it helped me to sell lives, which was my primary objective. I have paid for at least 121 lives each year with a maximum of 154 in 1953.

Ninety-five percent of my sales were on a package basis, either

Examples of how to close the sale and how to prospect were discussed by Robert E. Gladden, John Hancock, Jackson, Mich., in a panel on "The Street Agent Speaks," conducted by Horace R. Smith, superintendent of agencies of Connecticut Mutual Life, at Friday's general session of the NALU annual at St. Louis. In the business five years, Mr. Gladden has received the national quality award the past two years.

savings or a simple family income social security program, which is done in one interview.

Once this system became a part of me and was producing for me I began to analyze my records for ways to improve my closing ratio, upgrade my average-size case and improve the quality of my business.

I had just finished the one-year course of life insurance marketing institute at Purdue University in January of 1953. Many of these problems were discussed there and I felt sure I could improve my operations with some of their ideas.

The school gave me the added power I needed to improve my closing ratio. It wasn't anything I could put my finger on, except that now I had a strong belief that for 95% of the American people, life insurance was the only way they could solve their financial problems and it was my job to help them see their problem clearly. Then when the solution was pre-

sented they would willingly accept the easy terms of life insurance. This belief has improved my closing ratio to two sales from every three interviews.

Two years ago I switched from the marriage leads to the mortgage leads; this put me in an older age group. The quality of business improved as well as my volume and premium income. This made it possible to qualify for the national quality award the last two years.

This year I have made another change in my operations; I stopped my direct mail and replaced these 10 names per week with my policy holders. So now my system feeds me referred leads, mortgage leads, policy holders and names from personal observation. Frankly, I am a lot stricter with my qualifications for prospects now but I still have

more people to see than I can possibly manage to get around to.

I want to discuss with you some of the closes I use and to do this we will assume a situation. I have just finished the details in presenting a family income package to a young man we will call John and his wife, Mary. They have a daughter aged one named Susan. I have just finished explaining the social security benefits as they would apply to John and his family and now I am starting my close.

"If Mary is to have the amount of income you said she would need in the event of your death, it is obvious that some new source of income must be found, isn't that true, John?"

"Our company has a plan which supplements social security and fits this picture of decreasing responsi-

bility almost exactly. For example in this monthly income picture of yours, you are approximately \$70 per month short of your minimum objective—that is, the difference between the starting income of \$184.60 and the \$250.00 you said your family would need.

"This plan, called the family income plan, would provide that \$70 per month for a period of 20 years, or until Susan is 21 and then would pay Mary \$7,000 in cash or income right during this period when social security is dropped off. Notice how beautifully our plan fits in with your plan.

"Let's see just how much would be paid in benefits under this plan should you wrap your car around a telephone pole on the way home tomorrow. Seventy dollars for 20 years is \$16,800 plus \$7,000 at the end of the period makes a total of \$23,800."

(First close) "That's a lot of protection, John. However, the inter-

(CONTINUED ON NEXT PAGE)



Two ways of looking at it . . .

in newspapers . . . on television

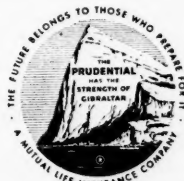
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1875—Protecting the Family—1955

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(CONTINUED FROM PRECEDING PAGE)

esting feature about this plan is that while it provides all of that protection during these critical years, it still provides a systematic savings each year, so that at age 65 you would have approximately \$7,721 based on our present scale of dividends being left to accumulate with the cash value, which, if taken as monthly life income, would provide \$46.62. So, if you elected the monthly life income, your total income at 65 from social security and life insurance would amount to \$155.12 until Mary is 65 and then social security would pay Mary \$54.30 per month as a retirement benefit bringing your total combined income to \$209.42 per month. John, for you to guarantee

this income to Mary while Susan is growing up and for you to guarantee an income for yourself at retirement age, requires only that you set aside \$23 per month. Don't you think this is an excellent plan, John? Is there any reason why you wouldn't like to have a plan like this?" (Here you are trying to bring out any objections your prospect may have, that can't be overcome until you know what they are).

SOCIAL SECURITY EARNINGS

(Second close) "Social security provides many benefits, but there is also a catch in the law. The law says, that you, at 65, or your widow

in the event of your death, cannot earn over \$100 per month and receive your social security benefits. This makes it difficult to be able to work and receive social security too, and you can't live on the amount received alone. Of course, the most important thing any father can leave his children is their mother's time, and with the plan I have outlined, you are putting into action a plan that actually will function and work to meet your objectives. Without it, what you now have won't do the job and even though you have paid for and are entitled to social security benefits, you won't be able to take advantage of them because you have created nothing to supplement them—this is especially true of

your retirement picture. The savings feature of the plan I have outlined will certainly provide enough to know you will never be dependent on your children or charity. Is there any reason that you wouldn't want to see our doctor and find out if you can qualify for this plan?"

(Third close) "There are only four things that can happen under this plan. One of these four things must happen:

"A—live—Savings in cash or income to supplement social security for your retirement. You will never be dependent on someone else.

"B—die—Income and cash to your family to supplement their social security benefits. A guarantee that you will provide for them even if you are not here to sign the

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find out
s plan?"
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security
ill never
else.

cash to
at their
guaran-
or them
sign the

checks.

"C—disabled—If you become permanently disabled my company will make the deposits on this plan until you can return to work or until this plan is completed, which ever occurs first, and in addition will pay you \$70 per month during this same period, to help ease the burden of lost income.

"D—quit—If you have to quit somewhere along the line you may take a completed contract for that portion of the plan you have finished, which means a guaranteed amount of paid-up life insurance and a guaranteed amount tucked away to help you with your retirement problem. You can't lose! Do you think \$23 a month is too much for you to save out of your

income?"

(Fourth close) "You say you can't afford this. I think it depends on the way you look at it, John. In your working lifetime, of which 35 years are left, if you never earn more than \$4,200 a year, you will have earned a total of \$147,000. When do you get your cut? You and I are both going to earn more than this if we live, but it's not too important how much we earn; the important thing is how much we have left when our earning power is gone. With a plan like this, all that you are doing is making sure that you pay yourself part of what you earn before you spend the rest to the butcher, baker and candlestick maker. Frankly, they don't care whether you have anything

left after you pay them or not. If you don't look out for yourself no one else is going to.

John, would you like to make your first deposit in cash or by check?"

Emotions Play Part

(Fifth close) "John, whether or not this is important to you I think depends on how you look at it. I know you remember the date February 28th, 1954—this was the day Susan was born. The chain of events that transpired that day may have gone something like this.

"You rushed your wife to the hospital and into the labor room. You held her hand to try to ease the fears that rose up inside her. You saw the sweat running down

her face, pains were coming close together and it was hard for her not to cry out. Now the nurse escorted you to the door and told you things were progressing normally. You sat down on a bench in the hall and worried as to the outcome. You prayed that everything might be all right. Then the nurses wheeled your wife down the hall and in through the swinging doors of the delivery-room, she looked so white, and the doctor wasn't even here. Where was he? Didn't he know your wife needed his help desperately? Then the steps sounded on the stairs, the doctor was hurrying. He entered a closet and came out in a white

(CONTINUED ON PAGE 22)

to **St. Louis**

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this 66th annual

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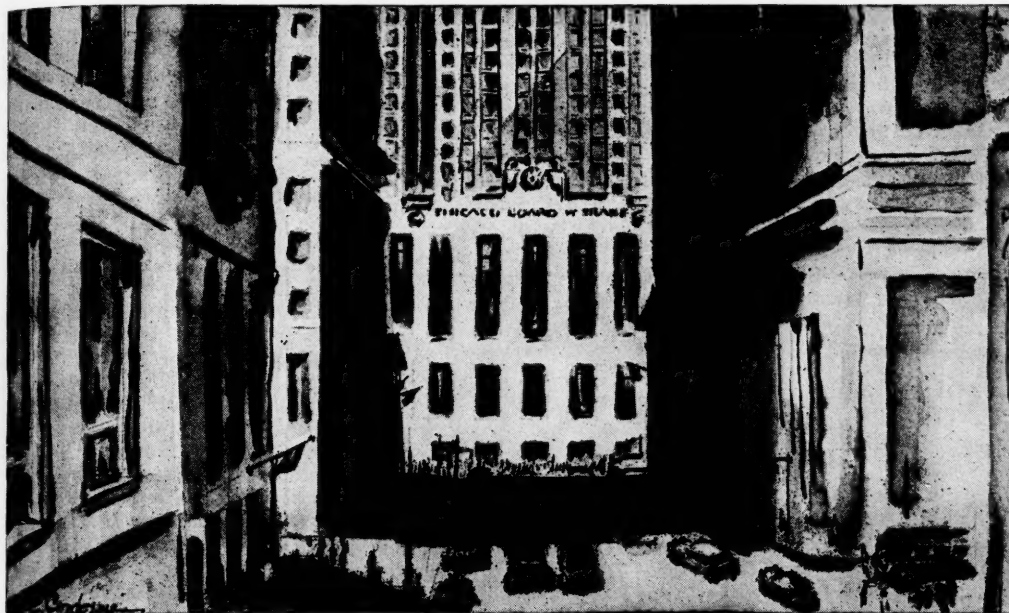
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Gladden Talks on Close for Income Package

(CONTINUED FROM PAGE 19)

apron and cap and headed for the doors of the delivery room, he gave you a reassuring glance that everything would be all right—but you felt like telling him to run!

"Then you waited and waited and waited! You strained to hear something to tell you that it was over, but all was silent.

"A sharp spunk broke the silence and a healthy cry blurted out and oh how relieved you felt, the baby

was alive. But what about your wife?

"Then the door opened and the nurse said you could come in for a moment, your wife was crying but now she was smiling too and you hugged her and kissed her to the sound of a crying baby being washed. Now you thank God for being so wonderful and watching over them. You have never been so thankful! John, don't you really think this idea we discussed here this evening is the best way to express your thankfulness to your wife and daughter?"

F. H. Manning Tells of Street Agent's Religion and the Rewards It Brings

By F. HOWARD MANNING

When I came into this business, I told my general agent, my wife and my friends that I believed in life insurance and that was the reason I chose it as a career. Voicing such beliefs in this work immediately put pressures on me. If I had a belief in life insurance, I knew that I must live the part—otherwise I would be a hypocrite.

My general agent told me (and

he has never yet steered me wrong) that if I would write plenty of lives, volume and premium would take care of themselves. As a new agent I set 100 lives as my quota, and in my first year in the business I paid for 109 lives; the second year 104, and, yes, volume and premium did take care of themselves. In the next six years I have averaged 86 lives and by prospecting up and programming, volume and premium still take care of themselves.

But now I set a different quota. I now set up a budget and attempt to make what I budget rather than budget what I make. And believe me, there is a difference! To do this I must know my average-size policy, average premium and commission, so that to make what I budget requires so many sales. This I religiously set down on paper and make an earnest effort to accomplish.

Then too, I now have the pressure of my one-a-week as a minimum. Not only does it keep me in the habit of closing business; keep my mental attitude right, but it also makes my wife happy. Lately some of the one-a-week awards are items which enhance the beauty of our buffet, and frankly, if I ever came home and told Mama that I am out of the one-a-week club, I shudder to think of what would happen to the father of our five children. Also, my general agent (and I'm sure yours does, too) gets out a weekly bulletin, and it's mighty disgusting to see my name low on that list. You see, my G.A. sends a copy of that bulletin to my home every week.

CLU Program Opens Doors

You talk about pressure? If my religion for this business alone won't give it to me, my G.A. in his subtle little way will certainly do the trick.

I long ago decided to be a general practitioner, and that the CLU program offered for me a chance to be a good one. I thoroughly recommend that program of study. It need not make one a know-it-all, but it will prepare you for the more lucrative fields of business insurance and estate planning. It has made me realize that section 303 is not a piece of ground out in the county. It has made me realize that a testamentary trust has nothing to do with the Bible—and it has made me realize that a reversionary interest is in no way related to that small percentage they pay me on the few dollars I have in my savings account. I believe CLU has opened a few doors for me and will do so for you.

To write from 80 to 100 lives each year naturally we must have prospects, and if we will but analyze our market I'm sure we can agree there are more prospects than we can possibly see. It may come as a shock to you, but we



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I have six or eight good policyholders whom I consider good centers of influence. I kid with them

Talking on "A Street Agent's Religion—Its Rewards," F. Howard Manning, agent in Kansas City, Kan., for Equitable of Iowa, said in a panel discussion at the NALU Friday session that life insurance and the religion he has gained from it have made him a better citizen in the community and helped him establish and maintain a happier and more wholesome mental attitude toward the problems of everyday living. His "life insurance religion," he said, includes the belief that with the help of God granting him good health, he can pretty much name his own ticket and his financial rewards will closely correlate with the amount of effort he is willing to expend.

and tell them they are on my team. Periodically I needle them with a statement, "Bill, you haven't given me a good prospect for a long time." I ask them, "Who is the best salesman that calls on you?" "Who do you know that's really going places?" You would be surprised at how it pays off. Frankly, I really feel that I have more prospects than I can call on. I find that men buy ideas. Late last year I asked a sole proprietor: "would you be interested in a plan that would guarantee your family a good and ready market for your business, in the event of your death—and at the same time tie your key men closer to you while you are alive?" The result: each of his key men bought \$10,000 of ordinary life on his life last January, \$1,400 annual premium. We are all happy about it.

Another idea—one I picked up from George Maltby, the great guy who first coached me in this business—is to ask a man if he has a grocery bill policy. I guarantee you, they will question you about that one.

Good sound ideas are the stuff that makes success in our business. They are the difference between just getting along and getting ahead; between making out and making money.

I use almost exclusively the two-interview system. Seldom do I make the initial contact on a man by telephone, unless it is a good third-party referred lead. As to an interview, I insist on it under favorable circumstances. And what are they? Well, they are many. Of course there is none better than the one at home where we have a little meeting with Mr. and Mrs. Prospect, with yours truly as chairman. I do use visual sales aids, for I am convinced that the right pictures are worth 10,000 words. Here are a couple you can buy for 10 cents each.

Of course, an interview in a man's office is also ideal if that old phone doesn't ring too often. I almost insist on sitting next to him, on his side of the desk. I do not want to sit facing him as an adversary might, and I very truthfully and candidly tell him in so many words that I belong on his side of the desk, surveying his problems on the other side; that my job is to help him solve those problems.

In seeking the favorable interview I very frankly ask, "will the decks be cleared at the office so we can get into this thing?" or, "what time will you have the children in bed so you, Mary and I can go over this?"

Use Programming Manual

In working on a programming case, I use a programming manual which my good company has developed. We all have them, or at

least good programming material. When doing single-needs or multiple-needs selling, I come prepared with a long, legal sized, yellow lined sheet—the kind lawyers use—and on this sheet I have several questions which give me a track to run on. I let him read them with me and they build up his problem. I know it is hard, but I try to hold back as long as I can that beautiful set of figures that I worked up;

(CONTINUED ON PAGE 28)

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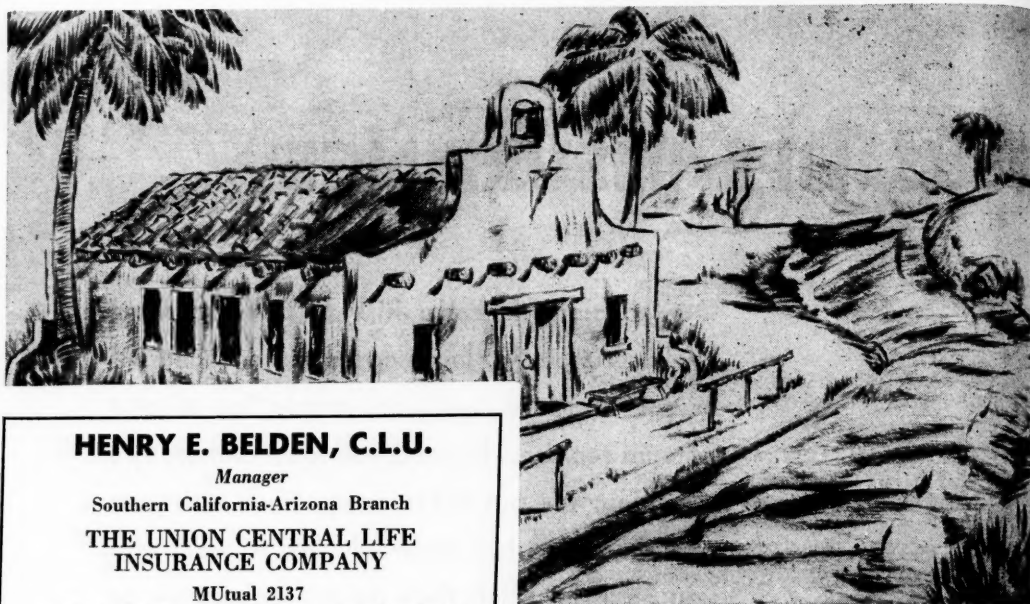
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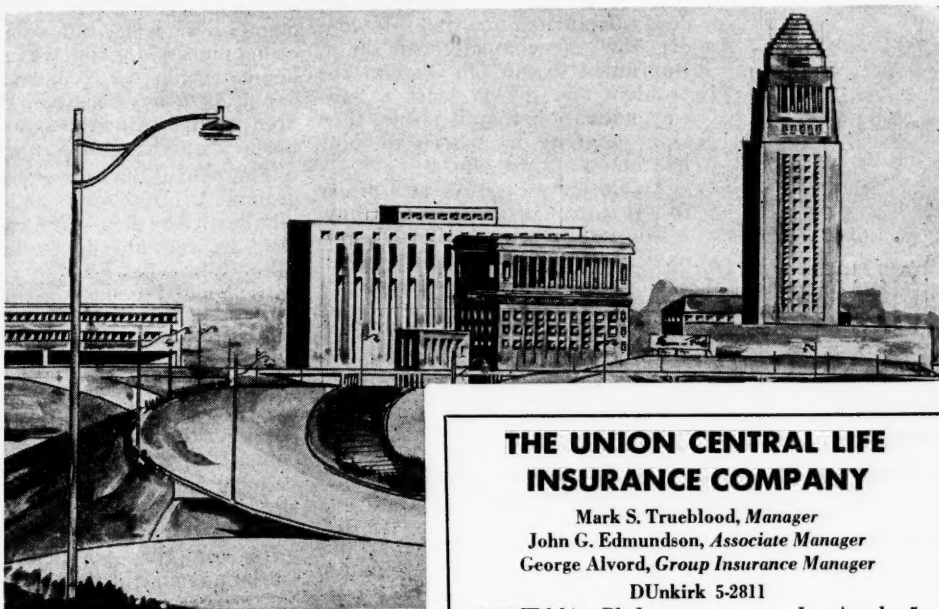
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Manning Tells Reward of Street Agent's Religion

(CONTINUED FROM PAGE 23)

that wonderful contract which does so much. Sometimes I wonder how the company can do it. But unless I can pin on him the problem and get at least a half-way admission that it is his, then I am spinning my wheels to show him how to figure one.

To close my cases, or as I prefer to put it, to help my prospect buy, I so very often use the fatal alternative method—not whether, but "Bill, which shall it be, plan No. 1 or plan No. 2." Many times I use the happy medium method—shall it be the high premium, the low premium, or the in-between combination plan with conversion privileges, etc. And to get the money, my pet is "hadn't we better bind the company on this."

For the most part I prepare my proposals in longhand, unless it is a business case. Perhaps this sounds like considerable detail to you—and I'll grant you it is a lot of work, but if you can furnish me with an employer who will pay me \$1,000 plus, per month, without my putting forth considerable work, effort and time, please send him around—I'm available.

Naturally, men do not buy just because it is the logical thing to do. They must be motivated. Often I tell them one of my business men's stories—the one about the middle-aged Pontiac dealer in my home town, who one day said to me: "You know, if it hadn't been for life insurance I doubt if I would be in the motor car business today. It was the loan values of my policies which permitted me to acquire my present business."

Or I might relate what a friend, the owner of a supermarket, told me: "I wouldn't be in business today if it hadn't been for the cash values of my life insurance. When the depression hit in the 30s, my eight stores dwindled to one and I was on the verge of losing it, but with these cash values (about \$8,000), I was able to keep life and limb together and finally beat my way back." I go on to tell them that this individual has now brought that \$8,000 of cash values back to a worth of a quarter million dollars.

INSURANCE IN ACTION

Or I might tell them the story of Mary Lou. If I ever saw life insurance in action, this was it. Mary Lou's husband, Ken, was a civil engineer for one of my good clients who asked me to help Mary Lou with her insurance. Ken had driven his car off the highway up near Lawrence, Kans., and left Mary Lou with six children from high school age down to Michael, age 3. Ken had slightly over \$14,000 of insurance, \$5,000 accidental death benefits and a mortgage policy which gave Mary Lou a deed to her home.

I was there in the living room

the afternoon the agent came out and handed Mary Lou a deed to the home and a mortgage marked paid. Mary Lou shed a few tears of course, some I'm sure in the memory of Ken—but some tears of happiness—for this was now her home, thanks to a mortgage redemption policy. She and the children could live in the same neighborhood and have the same friends.

The policies had never been programmed, but slowly and gradually, with the help of social security, we were able to work out for Mary Lou what became a reasonably good income, lasting long enough to see even little Michael through high school. One of the small policies we put on life income, 20 years certain, so that even though Mary Lou may some day sell this home and live with some of the children, she will never have to ask for the few dollars she will always need to buy her cosmetics, her nylons and little gifts for the grandchildren at Christmas and birthdays.

Honest Effort Never Lost

The knowledge that there are many Mary Lous throughout our great land is a mighty rewarding thought to you and me. And there are so many, many other rewards which have come to me from this wonderful field of endeavor. The field of life insurance and the religion I have gained therefrom have made me a better citizen in my community; it has helped me establish and maintain a much happier and more wholesome mental attitude toward the problems of every day living.

My life insurance religion includes the belief that with the help of God granting me good health, I can pretty much name my own ticket, and my financial rewards will closely correlate with the amount of effort I am willing to expend.

Included in my religion is a realization that honest effort is never lost. I am completely confident that if each day I will perform so many affirmative actions toward the sale of life insurance to a goodly number of people, while I may not sell each and every one, or though I may not sell any of the folks whom I may see in one particular day, I know—like Babe Ruth knew—that each time I strike out, I am just that much closer to another home run. Honest effort will ultimately be rewarded.

Yes, fellow underwriters, there are higher horizons for all of us. Ours is a wonderful undertaking; ours is a great product. May we all—each of us—attain our particular horizon in the field of life insurance service.

From Continental Amer. H. O.

Continental American Life's home office is represented here by Agency Vice-president Max S. Bell and Superintendent of Agencies Patrick H. Yeoman.

GREETINGS to the N. A. L. U. MEETING from DETROIT!

The Motor City Life General Agents and Managers listed below are happy to extend their warmest greetings to the members of the NATIONAL ASSOCIATION of LIFE UNDERWRITERS on the occasion of their 66th annual convention at St. Louis.



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TELLS INSTITUTE PROGRAM

Agent Is PR Man for All of Industry, Holgar Johnson Says

No matter how broad a public relations program the business may have, it is the life insurance agent himself who is the public relations man at the point of public contact, Holgar J. Johnson, president of Institute of Life Insurance, said Friday at the NALU convention during a symposium on other life insurance organizations' areas of common interest with NALU.

"The institute uses a very simple formula; a formula applicable not only to the operation of the public relations for the whole business, but equally applicable for the operations of the public relations of an individual company, agency or agent," Mr. Johnson said. "The first step is to determine who are our publics. Secondly, what do those publics think of us? Third, what is it that we want them to think of us? And fourth, how do we approach these publics in order that they may get the kind of concept of us that we want them to have?"

Indicating some of the many areas where a community of interests exists between the institute and the NALU, Mr. Johnson reminded the agents:

"Irrespective of what the institute itself may do in the development of a public attitude or an environment that makes the distribution of life insurance more effective, it is the things that you do, the things that you say, the attitude that you present to the public, the consciousness that you have of the importance of life insurance in the American economy, that basically determines the atmosphere or the environment for our business.

"We are as much a part of the NALU's functioning as we are of any other segment of the life insurance business.

"There have been many areas where we have been able to work together with NALU, both through your National headquarters and through your public information committee, which has been a help to us in the development of our program. We have asked your committee to sit in with us in an appraisal of many of our activities that have been undertaken."

Of the many areas of reaching the public that the institute has developed, Mr. Johnson said the purchase of advertising is the most obvious to most agents. He said the new campaign which starts this fall is built around the slogan, "When Someone's Counting On You—You Can Count On Life Insurance." The theory behind this campaign, he said, "is to bring to

Seek Commission on U. S. Employees A&H Without Losing Case

As the discussion developed at the meeting of the NALU committee on disability insurance, it was found that many in attendance felt that the plan to be adopted by the federal government on a contributory basis for group A&H for its employees may follow the same pattern as the federal group life plan in paying no commission.

R. L. McMillon, Business Men's Assurance, Abilene, Tex., is committee chairman.

Some remarked that the "non-profit" slogan of Blue Cross would prove attractive in many cases. Others said that possibly the A&H writing companies might be quite content to see Blue Cross write most or all of the federal group case because of the heavy group A&H losses that the private companies have sustained.

It was decided to have Chairman McMillon contact representatives of American Life Convention and Life Insurance Assn. of America to determine the company attitude and policy, if one has been established, regarding the federal A&H group, with particular reference to whether the companies may be able to write it on a basis of paying an agency commission while at the same time keeping the cost down to a level competitive with Blue Cross.

Local Press Committee Active

In addition to the NALU staff publicity men, the local St. Louis publicity committee is taking an active role in helping the trade and daily newspaper men get their stories. Stanley Richman, vice-president of General American Life in charge of public relations and personnel, is chairman of the public information committee of the convention. The local press committee consists of Arthur Miller of Union Central, Richard Budlong, editor of "Life Insurance Selling," and Stewart Kingston, consulting actuary.

the public consciousness a real understanding of the fact that life insurance can be depended upon. "We hope to reinforce in the public mind the feeling of confidence they have in life insurance and what it does for them and for their family.

"Through our advertising we have been reaching, and are anticipating reaching in the coming year, an audience of approximately 55 million people each time an advertisement is run. And this next year we anticipate that there will be 12 pieces of such copy, all geared towards the idea of reaching the American public with a confidence-building point of view toward the life insurance business."



to the members of the National Association of Life Underwriters, on the occasion of their Sixty-sixth Annual Convention, for their continuing and effective efforts in advancing the standards and scope of life insurance sales and service.



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—Ask E. A. Frerichs about a...

"PLAN WITH SECURITY"

**THE
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LINCOLN, NEBRASKA**

Women Want Larger Part in NALU Work

Recommendations for women agents to become more active in National Assn. of Life Underwriters and other life insurance organizations were made by the committee of women underwriters, Laura M. Benham, Prudential, Niagara Falls, N. Y., chairman, in its report. The report, as it appeared in the advance printing of the committee reports, follows:

This report covers a brief summary of the midyear report plus additional developments and recommendations.

1. This is the 21st year since the committee of women underwriters was established. We will highlight and celebrate this anniversary at the luncheon to be held Aug. 24, by the committee of women underwriters. All of you are cordially invited to attend and tickets are for sale at the registration desk.

May Establish Scholarship

2. In connection with the celebration of our "coming of age," a suggestion was received from one of our committee members that the committee of women underwriters might establish an appropriate scholarship for attendance at Purdue; either to finance the summer school for women, or to apply an equal amount of money toward the six weeks' course given by the school of life insurance marketing.

A method of raising the initial fund was also suggested.

The suggestion was voted down, so that no further action was taken.

3. It is again recommended: That we urge women to volunteer, and that local and state associations invite women to head committees, chairman events, and otherwise fill association offices in the interest of the industry.

4. In order to help promote interest in the Purdue summer school for women sponsored by Women's Quarter Million Dollar Round Table, two members of our committee accepted the responsibility of assisting in any way possible, the educational chairman of the

WQMDRT as called upon.

5. It is recommended that the committee of women underwriters each year ask for volunteers, compile and submit a list of qualified women speakers to the chairman of the committee on the convention program, in advance of the midyear meeting, to encourage and facilitate participation of women speakers on the program.

6. It was suggested in the mid-year report, that this committee send a letter to all licensed women underwriters to stimulate their attendance at NALU annual meetings, and their interest in their local associations. Inasmuch as the field was well covered by the subcommittee on membership, there was no need to duplicate the expense involved. The WQMDRT has also been exceedingly active in stimulating interest and attendance.

It is recommended that the 1955-56 committee of women underwriters use the list of licensed women underwriters being compiled by NALU through the subcommittee on membership as soon as available to make the suggested mailing.

7. Your chairman wishes to acknowledge the close cooperation given this committee by the subcommittee on membership and the Women's Quarter Million Dollar Round Table. They have materially assisted our work. The suggestions received, the friendliness and good will evidenced, helps all women underwriters to stand up and be counted!

Emphasize NQA, Committee Asks

During the coming year more effort should be made to emphasize the national quality award by suggesting that National Assn. of Life Underwriters training schools allow the subject more time and emphasis, the committee on conservation, Jack White, Prudential, Los Angeles, chairman, recommended. It also suggested more promotion material be mailed to local NQA chairmen and be contained in the president's handbook.



Taking in the NALU federal law and legislation committee meeting: from left, Herbert J. Baum, Protective Life, Birmingham; Sam B. Starrett Jr., Guarantee Mutual, Omaha, a trustee of NALU; Pete Freeman, Life & Casualty, Birmingham, Ala., association president; A. J. Halloran, Baltimore Life, Williamsport, Pa., and Vernon L. Phillips, Occidental of California, Miami.

The committee believes there should be more dignity in the presentation of the award than is exhibited in many instances and it feels there should be a closer liaison between the local NQA chairmen and NALU. This would result in better publicity, locally and in company publications, for the qualifiers and their associations.

The presentation material was simplified this year and it is expected to be more streamlined next year to allow larger associations to expedite the presentation to a great number of qualifiers. The committee expressed the hope that larger groups would work out more satisfactory presentation programs and smaller ones would use to advantage the material supplied. It stated it would like to see the NQA become a ceremony instead of a routine distribution of certificates.

This year NALU trustees, as well as mayors and other local dignitaries, made NQA presentations at local life association meetings. The committee feels this type of

program added dignity and the "exhilaration of achievement" to the presentation.

A special subcommittee of the quality business committee was appointed to make a complete study of NQA qualification rules and the committee feels that with this development, the stimulating cooperation of leaders of both NALU and LIAMA, and the strong evidence of increased interest on the part of the field men and their companies, the award has become one of the most coveted awards in the business. It is an encouraging indication of the desire of the members of NALU to raise their standards of selling and service to the American public, the committee stated.

It hopes the NQA objective may be included in the GAMC code of ethics and a tentative approach has been made to GAMC toward this end.

Statistics show that of the 57,986 members of NALU on June 30 in all states, Hawaii, and Puerto Rico 11,563 were NQA qualifiers.

GREETINGS TO THE N.A.L.U. AT ST. LOUIS

FROM THE NEWARK GENERAL AGENTS AND MANAGERS

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Manager

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Proper Attitude and Guidance Needed to Spark 'Selling Motor,' Says Miles Palmer

By MILES PALMER

I have been at this job for nearly 30 years. I like to get up each morning knowing I have a job to do, a job which is important, important in the community I live in, important in the economy of my country, important and helpful to my fellow-man. During those years I have seen a great number of men come and go through the sales organization of our companies. The number who have had any notable success has been far too few but when you look back over a quarter of a century and remember how they were recruited into our sales organization, one cannot help but be amazed at the number who did succeed. As I remember, the selecting of salesmen was a haphazard affair, usually depending on the ability and judgment of an individual. This was sometimes good but more often not so good. The training they received was so meager that it could almost be described as being conspicuous by its absence and the market for life assurance was not nearly as favorable as it is to-day.

Why is it that so many of these specially selected men and women, well-trained with excellent opportunities, fall by the wayside? I believe the experience of our companies is that in the neighborhood of 80% are gone by the end of two years. I have a thought along this line that I would like to show you in this manner:

Here a car manufacturer's poster of one of his new products was displayed.

Here is a car manufacturer's poster of his product. Now this may not be the car of your choice; you may be the Rolls-Royce or the Cadillac type, so you are granted the privilege of superimposing on this poster the car of your choice.

What are we going to do? Well if it is a level road, we can at least get behind and push and if we push hard enough, we'll get some action.

It'll start to move. We'll get results but nothing like the car manufacturer claimed it would do. Well, you have seen men come into our business, specially selected and trained, and you push just as hard as you pushed that car and you get the same results; neither one producing what they are capable of.

Or if you still have horses in this part of the country, you could get a team, fix up a hitch and attach it to the bumper, take the reins in one hand and a whip in the other, climb up on the hood, and with a whoop and a holler and a crack of the whip, the car starts to move. You're getting results—

Miles Palmer, agent for Sun Life of Canada at Edmonton, Alberta, speaking at the Wednesday afternoon session, compared an agent to an automobile in his talk, "The Spark in The Motor." Just as the electric spark of the battery is needed to make the car go, so also is a spark needed for a successful agent, and the spark is the feeling the agent has towards his business. Mr. Palmer also said an agent should stress life assurance rather than business, insurance, insurance for the child's education, and other related types.

again not what the car manufacturer claimed. Haven't you still men in your sales organization with years of experience and knowledge, still producing and carrying on their business the same as they did back in the horse and buggy days?

Now this is nonsense, as far as the car is concerned, we wouldn't do either one. We would immediately let out a holler to the salesman that sold us the car and he arriving at the scene would very solicitously ask what the trouble was and we tell him "this car won't start." So he opens the hood, tests the wires and battery and very apologetically explains that



NALU trustees, pictured at their board meeting: Sam B. Starrett, Guarantee Mutual Life, Omaha; O. P. Schnabel, Jefferson Standard, San Antonio, and Theo. M. Green, Massachusetts Mutual, Oklahoma City.

the battery is dead. So he takes out the dead battery, puts in a new one and attaches the wires and says, "Will you try it now?" You turn the key in the switch and what a beautiful sound! Everything starts to happen. You know you are going to get results, you know you are going places—that the car will do everything the car manufacturer said it would. Why? Because there's a spark of electricity in that motor now and it is just as necessary to have that spark of desire in a life assurance salesman to get along as it is to have a spark of electricity in that motor.

Now you can raise the hood on making in our previous occupation a car, take out the dead battery, put in a live one, close the hood, but you can't do that with a man. But you can get the same results if you guide his thinking and get him to realize what this business is all about. Possibly too much is taken for granted how a man feels about this business of selling life assurance. Probably too much stress is laid on how much money he can make as a successful life assurance salesman. Actually we come into this business to make money, more money than we were so that we and our family may enjoy a better life. To do so, we must sell assurance of considerable volume and we must continue to do so all the years we are in the business. Now the amount we sell will not depend entirely on our desire for money but on our capability of doing a better job, which will depend on how we feel about this business of life assurance—how it fits into the scheme of things.

It's a pleasant thing to plan a university education for your son or daughter and provide the money to pay the expense of the course in event of your death by buying life assurance. But to worry about a fancy education for a young man or woman, 20 years of age or better, and sacrifice the security of a widow with young children is a lot

(CONTINUED ON PAGE 38)

Morris's Absence Not Due to Heart Attack

The item in the first convention daily of THE NATIONAL UNDERWRITER stating that a heart attack had caused the absence of Jack R. Morris, vice-president of Business Men's Assurance, from the NALU convention in St. Louis was incorrect.

"There is absolutely nothing wrong with his heart," Dr. Charles B. Ahlefeld, medical director of B. M. A., told THE NATIONAL UNDERWRITER by telephone from Kansas City. Dr. Ahlefeld said Mr. Morris's illness, while necessitating his remaining away from the convention, where he was scheduled to speak Wednesday afternoon, is entirely of a temporary nature.

Executive Secretaries Elect Edgar Chairman

Ross S. Edgar of Pittsburgh was elected chairman of the executive secretaries at their meeting during the NALU convention. The secretaries will give an assist to the NALU staff at the next annual convention, serving as headquarters aides.

Greetings to the N.A.L.U.

FROM THE

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H. R. Schultz Discusses Business Insurance

(CONTINUED FROM PAGE 12)

ners have to the small item of the partnership paying the premiums. Even though indirectly the partners are paying their share of the premiums, the psychology of the business paying, and elimination of a large number of policies, contributes immeasurably to making possible the solution of the partnership problem.

To be specific and give you a current case in point, there are four attorneys in Chicago who for years have been cognizant of the liquidation problem. However, with the entity theory the solution is both obvious and possible. I am happy to tell you that this partnership has taken action under the entity theory tied in with a buy-and-sell agreement funded by life insurance. I feel confident that the professional partnerships today offer a tremendous market to the life insur-

ance underwriter.

I would like to move on and discuss with you what I have chosen to call a partner-in-fact. Please go back with me to the then in this case. Good, sound business men then, yes, years ago, had the pioneering, venturesome spirit to bring in outside talent and develop a new product, something they themselves knew nothing about. They invested money without the slightest consideration for the human life value, because under the tax structure then, even with an occasional failure, they had a better chance to make a recovery later. The possibility of retaining profits from a successful venture was so much greater than it is today that it was far easier to overcome an unsuccessful venture.

Now, today, the investor in a new or outside business venture must

Representing South Carolina at a National Council session: Harold Hudson, State Farm Life, Greenville; Harrell Walker, Penn Mutual, Spartanburg, and Wideman Durham, Life of Virginia, Greenville.



reckon with the human life value. To draw from a personal experience, I should like to tell you about a situation that resulted in a \$100,000 term insurance sale. A group of Chicago men entered a business wholly unrelated to their own individual businesses, and were planning to invest a substantial amount of capital. They went on the out-

side and at a high price hired an individual who had the know how. Everything was all set, and it was fairly certain that the venture would be a success provided nothing happened to the man who had been brought in. Before they put up \$1 to back this venture they insured the life of what I term the partner-in-fact—what in corporations you call the key man.

Five years have passed and I am happy to tell you that at the end of three years the product was established, an excellent merchandizing job was done, and the company released half of the insurance to the partner-in-fact. This personal insurance has been converted to a permanent plan. While this man did not then, and has not now, had any financial interest in the concern, his importance to the success of the partnership made him in their minds truly a partner.

Once again let us look into my past—business life insurance past. The then is 1946, when through a referral I was instrumental in placing a large amount of partnership insurance on two brothers and a nephew engaged in a supermarket chain. There was nothing particularly unusual about the case except that the brother, who had a minority interest, recognized that under no circumstances could he succeed in business with his sister-in-law should his brother be taken from the picture. Even though a minority partner, he pressed for action with an agreement funded by life insurance.

It is important to tell you that these brothers operated very successfully, and that the younger brother with a minority interest, with more modern ideas, really was the spark plug. The senior partner, however, at age 50, 12 years older than his brother, was inclined to feel—we're doing all right. Let's leave well enough alone. It took several months and a great many discussions before the senior partner acquiesced.

Skip with me a few years to 1950 for the now part of the story. I recall vividly sitting in my office and receiving a telephone call that the senior partner had died suddenly of a heart attack.

I continue the now part of the story when I tell you that the remaining partners retained their position. From a minority interest the surviving brother became a majority interest. The sister-in-law

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For more Information,

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Vice President In Charge of Agencies

Shenandoak Life INSURANCE COMPANY, INC.

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was paid in full in accordance with the agreement. From the moment of her husband's death, she had not one word to say about the operation of the business.

The partnership has grown through expansion and merger so that in 1955 gross sales will probably exceed \$20 million. They are known in the midwest as one of the most successful super-market chains. Why? Simply because of a buy-and-sell agreement funded by life insurance. These people are so enthusiastic about the job that has been accomplished for them through the medium of life insurance that they go to extremes to tell their story giving full credit to our product for their present phenomenal success.

Cites Fourth Experience

In the fourth experience I only move the then back three years, at which time a substantial amount of life insurance was bought on the three main stockholders covering several related corporations. In my personal opinion, even though life insurance was in force, had one of the stockholders passed away, the actual result would have been that the life insurance would have failed to accomplish its objective because



Three Penn Mutual producers, Robert Zimmer of Columbus, O.; Howard Krick of New Haven, Conn., and Harry G. Calvert of Baltimore, shown at a National Council session with the president of the Cincinnati association, William W. Wray, John Hancock Mutual.

of the absence of supporting agreements. Please understand that the only reason this life insurance did not fail to do the correct job was simply because no stockholder died.

Now, to bring you up to the present, I met the president of the corporations to which I have referred. At his invitation I had an opportu-

nity to review what had been done two years previously.

Before making this review I had practically concluded in my mind that this life insurance must have been purchased to supply liquidity for death taxes under section 115 (G) (3) of the old revenue act. I knew there was no stock retirement agreement and so I just automati-

cally assumed that there was going to be a partial sale of stock to supply liquidity for these death taxes.

It was at that time that the 1954 revenue act was about to be signed. When I accumulated all of the estate information, including the corporate policies, and the financial statement of each corporation, it was obvious that not one corporation qualified, and therefore, there could be no partial sale of stock to any of these corporations. The 1954 revenue act was signed, and the ability of an estate to qualify for the partial sale of stock to a corporation was liberalized, and even with the liberalization this key man insurance could not serve, because none of these corporations in any one of the estates of the stockholders could qualify. This life insurance was not serving its purpose, and when the president learned from my proposal that it could be made to do the job with a stock retirement plan—buy-and-sell agreement—he naturally was gratified.

I can say to you that even though the original amount of insurance was in excess of \$250,000 it was necessary to more than double this amount for adequate coverage.



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Palmer Tells How to Spark 'Selling Motor'

(CONTINUED FROM PAGE 35)

of nonsense. Certainly it is important to provide old age security for yourself—the only thing left to you in your old age is your independence and if you haven't that you have nothing—and a life assurance retirement plan is a sound way to do it but you can do this in other ways besides life assurance. In Canada, the Dominion government sells annuities at a rate lower than we can compete with; of course, they can dig into our pockets through taxation and make up their losses. You can buy bonds—and stocks, if lucky—put money away in the bank; or, hoard it in a tin can and bury it in the ground and if someone doesn't beat you to it, you'll have some money when you grow old. But there is no way I can guarantee the security of my family in the event of my death, no way that I can make sure that my children will have a home except through the service of the life assurance industry.

"Home" Good Motivating Word

That word "home"—one of the sweetest words on the human tongue; the very action of saying the word, your tones mellow—and in our philosophy of life, home and mother are closely associated. So the greatest gift I can leave my children is the gift of their mother's time, time for her to make a home for them. What an important part our homes play in our life! As children, a haven of refuge, a place of security, a temple of love and understanding and over all a stabilizing influence in the economy of our country. Our homes and life surrounding them; your church, the church of your faith; the school your children attend; our educational system which insists all must be educated, the community you live in and its activities—all enhanced to a greater or less degree by the portion of your contribution. It is these, all these—our homes and the life surrounding them which is the backbone of democracy, a bulwark against communism.

Let us briefly examine these two ways of life and see how "man" and "life assurance" fit into the picture. Under one, man has liberty and responsibility—the other, man has no liberty, has no responsibility. Under one, man needs life assurance mainly for two reasons; first, if he dies too soon those he loves may suffer; second, he may live too long and lose that which is all important, his independence. The other man has no need for life assurance, he already has lost all that is important, his liberty. He has but to obey—obey the will of his masters and if he does, he has nothing to worry about, they from their bountiful table will toss to him a small bone of security.

This desire to have a "home of

their own" has been no small contributory factor in the prosperity we are enjoying today. In the last six years, there has been or will be spent over \$87 billion on new homes and this sum of money turned into the life-stream of business is turned over and over, multiplying the use of the original capital many times.

Now I don't believe any father moving his family into a new home, into a new community, a community of their choice and a home of their liking, happy with new friends and associates, participating in community activities, is happy with the thought that at his death this will end, this happy new life they are enjoying will come crashing down about their ears like a house of cards. It happens every day.

If they are to continue to live where he has placed them will not depend alone on that house being out of debt but on the amount of wealth he will leave over and above it. When we measure wealth we usually use \$1,000 as a measuring mark. Now this may be all right for the government to use arriving at the amount of a man's succession duties and it may be all right for you and me to measure wealth in this way, because \$20,000, \$50,000, or \$100,000 is an awful lot of money. It is to me I know, because it is over and above my earnings, but a sum like this dumped into a widow's lap, a widowed mother, is a worry and responsibility. It calls for management, investment skill and can be lost. Its true value is how much it will produce each month from now on until it is needed no more.

Now what forms of wealth do men leave at their death? For the time being let us leave out life assurance. An interest in a business, real estate, mortgages, bonds, stocks and money in the bank. This last we can ignore, most men's bank accounts are too active to have any great sum of money in them at the time of death. The business part of a man's estate is of dubious value as the man himself is usually the business and at this death all that is left of value is quite often only the physical assets. Most estates immediately have to be turned into dollars, first to move the government out of the picture and second to satisfy the demands for money which come piling in at a man's death. All this calls for administration, management, and can be lost.

These kinds of estates usually have a fictitious value. Very few men leave anything like they thought they would. Let's bring this closer home. Gentlemen, I don't believe in this convention hall that 5% of you men here, certainly no more than 10%, if you were to die today would leave an estate (separate from your insurance) large enough for your fam-

ily to carry on in the home they are already living in at anything near the same standard of living that you have set up for them. But from 90 to even possibly 95% of you men here can immediately create an estate, a life assurance estate, which will provide your family with everything you want them to have.

A life assurance estate is the complete estate! Its products are dollars, it is self-administered, not depleted by administration costs. It is guaranteed against loss, it is the only estate which will pay a definite sum of money for an indefinite number of years. While doing so it will allow that guaranteed sum of payment to increase but will also put in a peg that will provide the payment will never go below the original amount.

Don't forget when outlining a plan of income assurance to a man for his family—give him the credit. He is the one who decides if the check will be there or not. He is the one who will pay the premiums. No matter how wonderful our companies are, they won't pay one cent unless this man, this father, this husband, recognizing his obligations and of his own free will enters into a contract with a contractor who will carry out his wishes right to the letter, delivering a check each month to those he loves.

If the essence of democracy is truth, freedom and justice, doesn't the business of life assurance fit right into that picture? I don't know any business more true to its commitments than the life assurance industry with all its actions freely exposed to inspection and criticism. Freedom! No one is forced to buy life assurance, it is bought by the free man recognizing his obligations and commitments. Justice! Just in its administration. No man's dollar, no matter how exalted his position or great his wealth, is worthy any more than his neighbor's.

It is a wonderful feeling, while I stand here talking to you, obviously enjoying myself, that if in the excitement of the moment that thing happens which is happening the old ticker stops—and they bring in the little cart and pack me out feet first—it is a wonderful thing to know that tonight and nights to come, when the cops and robbers have declared a truce and peace descends on the battlefield and the last Indian bites the dust, and my two tired warriors with their dirty faces struggle home, the No. 1 person in their life will be there to greet them. The water's thick on the bathroom floor and you can hear the drone of a bedtime story. It is a wonderful feeling to know there will always be time for love in that little castle of mine.

Of all the plans designed by man to relieve the misery of his fellowman, the life assurance industry is the finest fruit in the orchard of his achievement.

What I am trying to tell you is

that I am enthusiastic about this business of life assurance. Do you know what enthusiasm is? In that car there is a piece of the machine called the generator and we all know the function of a generator. Well, enthusiasm is the generator that will keep my battery charged so that I'll always have that spark of desire to get out and spread the message of life assurance—the handmaiden of democracy.

Cooperation with Mutual Funds on Friction Works OK

The NALU's special committee on relations with the National Assn. of Investment Companies has had no more than half a dozen complaints from agents to take up with the investment companies' group. Some complaints proved groundless, others were in the nature of philosophical differences bearing on the merits of life insurance as opposed to mutual funds rather than the mishandling of competitive situations by mutual fund salesmen, and there were a few legitimate complaints but through the excellent cooperation of the investment companies "association and its public relations officer, E. B. Burr, they were settled "with amazing promptness by the investment company to which they were referred."

The committee, which is headed by Benjamin D. Salinger, Mutual Benefit Life, New York City, said that in some cases it was impossible to take any definite action because the complaints were not sufficiently documented.

There were also several complaints by investment companies regarding literature and competitive arguments advanced by life agents that seemed to cast complete discredit upon mutual funds. These were also called to the attention of the offending parties in every case where the information was sufficiently pertinent and specific, amicable settlements were effected.

"We believe that this committee is worth continuing merely to prevent, in a quiet way, the flareup of some unpleasant and acrimonious discussions and publicity which might very well arise if there were no NALU group specifically assigned to handle complaints such as those mentioned above," the report concluded.

Partridge Resigns as NALU's Editor

James M. Partridge, editor of "Life Association News," official publication of National Assn. of Life Underwriters, has resigned. He has not announced his future plans.

Mr. Partridge has been with NALU for a number of years and before that was on the editorial staff of the "Insurance Advocate" of New York City. For some years he was a professional musician.

Education Committee Reports Increase in Research, Study

The new edition of "Training for Today's Life Underwriter" has been completed and will soon be published, the committee on underwriter education and training reported at the National Assn. of Life Underwriters convention in St. Louis. Howard V. Krick, Penn Mutual Life, New Haven, is chairman.

The report, as it appeared in the printed reports, follows:

Education and training for life underwriters increased in effectiveness during 1954-1955. American College of Life Underwriters reports that there were 1,776 new candidates, 3,625 taking 4,525 examinations and 88 in attendance at the CLU institute. It is estimated that approximately 400 new CLU's will be added to the rolls in 1955. This was the biggest year in the history of the American College.

LUTC reports a banner year! The total enrollment was 11,009, of which 6,213 took the final examination in part I, and 3,446 in part II, a total of 9,659.

Campus training at Southern Methodist University and Purdue University showed greatly increased enrollment in 1955 over 1954. Early reports indicate that the women's institute at Purdue will be a complete sell out. Other life insurance summer schools at various universities had full enrollments.

By their substantial support of these institutional programs underwriters all over America have shown their eagerness for more training and education.

"Early in the year a sub-committee, chaired by B. William Steinberg, CLU, and including Arthur Billard, CLU, and Howard V. Krick, CLU, was appointed to develop several basic educational projects for the help and guidance of the local association presidents and educational vice-presidents or educational chairmen.

"It was felt that in many of the smaller associations a prepared, outlined project together with suggestions and instructions on how best to utilize them would lighten the task of these busy officers and would assist them in presenting a special function as part of the local association's general activity.

"The primary purpose of the special educational project is to impart specific ideas and techniques in a form which will prove interesting to the general membership. The prepared outlines were made comprehensive enough to be self-sufficient for a complete discussion of the subject matter. Underwriters will be able to get from these projects stimulation which should be immediately productive, and, it is hoped, whet their appetites so that they will be interested in further

exploration of the subject.

"The sub-committee called upon an advisory group of professional trainers which included: Frank DeYoung of Colonial Life, Edwin S. Jarrett, CLU, Mutual Life of New York, and John G. Lytle of Prudential. These men gave a considerable amount of time to the preparation of the outlines and deserve special recognition.

In our previous reports we have indicated this committee's cooperation with the advisory council on underwriter education and training, and particularly the project of a new edition of the booklet, "Training for Today's Life Underwriter." We are happy to report that the final editing is now completed, and approved. The art work for the cover and the inside pages is ready. This has been accomplished through the cooperation of the LIAMA staff. We wish to give particular recognition to John L. Lobingier, Jr. and Frank Westenberg, who handled the direction of the editing and art work.

It is the hope of this committee that many thousands of these booklets will be used by the life insurance companies to continue to inform all underwriters of the educational and training opportunities in our business. The new edition will be unveiled, according to present plans, at the LIAMA meeting in November. We sincerely appreciate the cooperation of the Institute of Life Insurance, and particularly of Donald F. Barnes, who is handling the details of promotion. Judging from the results, this project, which was started two years ago, is finally coming to full realization.

Under the direction of Eleanor B. Dowling, a new film strip was produced by the committee this year. At the midyear meeting the proceedings of the NALUTC luncheon were recorded and a film strip made. This will be exhibited for the first time at the St. Louis convention and will be available to associations for their education and training meetings. This committee hopes that all associations will use it early in the fall to help promote enrollment in our institutional training and education courses.

Blumberg Parliamentarian

David Blumberg, general agent in Knoxville, Tenn., for Massachusetts Mutual Life, is again acting in his role of preventer and untangler of parliamentary snarls at this year's annual meeting of NALU. This is his third year as official parliamentarian. He is a member of the Tennessee and American Bar Associations. He got to be parliamentarian by accident. Several years ago the National Council got into what seemed a hopeless procedural tangle. Mr. Blumberg led the presiding officer out of the parliamentary morass and as a result has been asked to act as official expert ever since.

Sees Greater Life Span as Boosting Living Standards

The ever increasing life expectancy of the American people has caused a veritable revolution in the nation's living standards, Dr. Louis I. Dublin, health and welfare consultant to Institute of Life Insurance, said Tuesday in an interview in St. Louis.

Earlier in the day, Dr. Dublin talked with leaders at the convention of National Assn. of Life Underwriters at the Jefferson Hotel. He said the life insurance men should continue their volunteer work with health, welfare and charitable organizations in their communities.

"The average working man spends 43 years on the job today, a longer period than ever before in our history. This is despite the fact

that he goes to work at an older age than his forebears and spends more of his life in retirement. The answer to this seeming paradox lies in the fact that more people are living much longer," he said in the interview.

Dr. Dublin, a former president of American Public Health Assn., said man's increased longevity and number of working years have produced economic and social advancements unprecedented in human history.

"When you combine more working time with the extraordinary progress we have made along engineering, scientific, industrial and administrative lines, you get a high rate of productivity," Dr. Dublin explained. "This, in turn, has given the American working man the highest wages and standard of living in the world. This means he has greater educational opportunities, increased living comforts and more time to enjoy life."

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THE CROWN LIFE

HOME OFFICE: TORONTO, CANADA

1180 RAYMOND BLVD., NEWARK, N. J.

MITCHELL 2-2083

Over \$1,250,000,000.00 Insurance in Force

Dow Predicts Assets Will Quadruple in 20 Years

(CONTINUED FROM PAGE 1)

money back as soon as possible" prevailed, he said. Since then, life companies have come a long way in liberalizing their investment outlook. That is not to say that investment prudence has been thrown to the winds, but rather that much greater reliance has been put on people, instead of on property. The use to which investment funds would ultimately be put and the effect on the general welfare has been given careful consideration. Perhaps without full realization of what they have been doing, the life companies have added to the sum total of human values—as much through their investment policies as through their insurance practices.

The business owes the life company investment officer of 30 years ago a great debt of gratitude, however, Mr. Dow said. The policies he followed were attuned with the times, and were the ones that enabled the life companies to ride virtually unscathed through the crest of 1929 and the trough of 1932, and to establish themselves as a firm bulwark of the American economy.

If the 10 years from 1925 to 1935 may be designated as the period in which the fundamental strength of life insurance investment was tested, the years from 1935 to 1955 represent the era in which its flexibility and humanity were put on trial. That it met successfully the new demands of the past two decades is clearly evident from the respected and important position the business now holds throughout the nation, he said.

What important changes have taken place in life company investment since 1925? First, there has been a tremendous rise in the amount of funds available for investment as a result of an increase of life company assets from \$11½ billion to \$84 billion. Many factors, of course, have been responsible for this growth but Mr. Dow believes the one outstanding factor has been the salesmanship of the life insurance agent.

Equaling in importance the

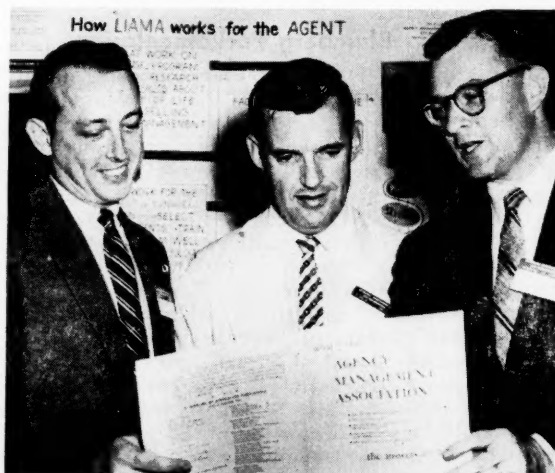
growth in the amount of insurance investment funds has been the widespread diffusion of the funds throughout all segments of the economy and throughout all of the 48 states, he said. Insurance dollars have been made available to more people for more purposes, closing the gap between the life insurance purchaser and the user of life insurance funds so that today the mutuality of interests is very real indeed, Mr. Dow said.

"Let us take a look at how insurance investments are distributed today as compared with 30 years ago. Despite an increase in the federal debt from \$21 billion to almost \$277 billion, the percentage of assets invested in U.S. government securities only rose from 6% to 11%. And should there be any concern as to the life companies taking over a large part of the federal debt, it might be well to note that the business holds but 3% of the debt, the same percentage it held in 1925.

Decline in Municipal Bonds

"Municipal bonds have declined in relative importance from 5% to 3%. Here, however, there has been an important development that has enabled the life companies to put their funds to work for the direct benefit of millions of people and thousands of localities—and that is the rise of the toll roads as a vital transportation artery. The heavy participation of insurance companies in toll-road financing has been a key factor in the successful construction of modern, high-speed turnpikes throughout the country. Foreign bond investments have dropped to one-half of 1% of total assets, and consist almost entirely of Canadian government securities.

"Railroad bonds now account for less than 5% of total life assets as compared with 19% in 1925. This substantial drop in relative importance is not the result of loss in investment merit of railroad securities but rather of the fact that the railroads early in the century achieved a high level of maturity,



R. B. Long, Life of Georgia, Asheville, N. C., pictured before the LIAMA exhibit at St. Louis, flanked by Paul Smith Jr., director of promotion for LUTC, and John L. Lobingier Jr., director of public relations for LIAMA.

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obviating the need for new capital that has characterized most of our other major industries during the past 20 years. Nonetheless, the importance of the railroads to the industrial complex should not be underestimated, nor has it been. Life insurance in recent years has furnished hundreds of millions of dollars for diesel locomotives, freight cars and other equipment designed to provide the country with adequate, efficient transportation service," Mr. Dow said.

"Life insurance funds have played an outstanding part in expanding the capacity of the electric utility industry—and of the gas and telephone industries as well—thereby bringing tangible and direct benefits right into the homes and places of work with the people. With investment in public utility securities now aggregating almost \$14 billion, or 16% of total assets, as compared with \$700 million, or 6% of total assets in 1925, it is apparent that the life companies have demonstrated flexibility in meeting the needs of the utility industries.

"While the extent of the growth in the amount of industrial investments is staggering, from \$97 million to \$17 billion, from less than 1% of assets to more than 20%, it is the character and diversity of the industries and companies in which the money is invested that is unusual.

"To illustrate, in 1925, Equitable Society did not acquire a single industrial security, meeting its investment requirements largely through the purchase of railroad and public utility bonds and the making of mortgage loans. The success of this investment procedure is indicated by the fact that the 4.93% net rate of return on all investments represented a small increase over the 4.9% of the previous year. Moreover, this gain was accomplished in the face of—and I quote from Equitable's 1925 annual report—"conditions which presented great difficulties to the proper investment of the Society's funds" and "arduous competition for first class loans."

"At the end of 1925, Equitable did have an aggregate investment of about \$2 million in two steel companies and two coal companies. Today it has an aggregate investment of approximately \$2.2 billion in more than 170 different companies engaged in substantially all phases of American industry. In 1954 alone, new industrial investments averaged better than \$6 million per week."

Investments in Industry

Some of these industries and the significance of life company investment in them, Mr. Dow said are steel, oil, chemical, textile, food, paper, rubber, automobile, electrical equipment, etc. Today's investment manager is not fearful that our crude oil reserves will be depleted in the near future. True, proven domestic reserves are ade-



Miss Helen Kullgren of NALU headquarters, selling a ticket for the GAMC luncheon to F. M. Fern, Jefferson National, Terre Haute, Ind.

quate for only 20 years of production at the current rate, but the opening up of new areas in this country, in Canada and in various other parts of the world insured plentiful supplies of petroleum well beyond 1975.

Funds Aid Petroleum Industry

The expansion of exploration and development activities, the increase in refinery output, the growth of pipeline, tanker and other petroleum transportation facilities have all been aided by the flow of very substantial amounts of insurance funds into the petroleum industry. This investment has made an important contribution toward bringing to the automobile owner, the home owner, the farmer and the factory worker the benefits of an adequate supply of petroleum products at reasonable prices. Similarly, investment in the steel industry, enabling it greatly to enlarge its raw material supplies and to increase its productive capacity, has been to the advantage of all because of the vital part that steel plays in the daily lives of the people, he said.

In addition to providing financing for the expansion and modernization of the basic industries, insurance funds have been instrumental in stimulating the growth of new industries and new products. Aluminum and synthetic fibers as well as television, air conditioning, paper packaging, business machines, plastics, electronic instruments and materials handling are some of the many new fields, either unknown or undeveloped 30 years ago, that have called upon and received insurance funds to further their development and production, he said.

In the field of consumer services, the insurance dollar has also been most active. In 1925, consumer credit was primarily an accommodation for those in the upper income brackets; today it is a great economic tool facilitating the mass distribution of goods to all segments of the economy, Mr. Dow said. The widespread ownership of automobiles, refrigerators, washing machines and other similar products characteristic of the high standard of living in America could

not have taken place without the use of installment credit. Substantial life company investment in finance companies has made insurance funds available to assist the individual in the acquisition of goods on a sound financial basis.

An important phase of investment that has literally brought home to the American people the ability of insurance funds to contribute toward the rise in their standard of living is the making of residential mortgages. Only 7% of life company assets were invested in home mortgages in 1925, representing a total investment of \$800 million. Today the proportion is 19%, and investment of \$16 billion. These cold statistics, impressive as they are, cannot reveal the tre-

mendous values, tangible and intangible, gained by the nation through the creation of adequate housing, he said. The U.S. has become a nation of home-owners—a fact of utmost importance to the stability of the economy and a development extremely favorable toward further vigorous growth of life insurance sales."

Radford Here for Gulf Life

Here for Gulf Life's home office is Agency Supervisor George B. Radford.

State Life Representative

The home office of State Life of Indianapolis is represented here by Dohl H. Lucas, director of agencies.

The Country's Most Friendly Company
OFFERS . . .

- Modern and attractive agent's and general agent's contracts to those looking for a permanent connection.
- Complete line of Life Insurance policy contracts from birth to age 70 with full death benefit from age 0 on juvenile policy contracts.
- Complete line of Accident and Health policy contracts with lifetime benefits.
- Complete substandard facilities.
- Educational program for field man.

Strong, Progressive Company

COMPANY'S EXPANSION PROGRAM OFFERS

Openings in California, Florida, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Dakota, Ohio, Washington, D.C. and Wisconsin.

NORTH AMERICAN LIFE INSURANCE COMPANY
OF CHICAGO

R. D. ROGERS, C.L.U., DIRECTOR OF AGENCIES

NORTH AMERICAN BUILDING, CHICAGO 3, ILLINOIS

*Greetings and Best Wishes
to members of The National
Underwriters Association
on the occasion of their
Annual Convention.*



NALU Preparing Another Bill on Credit Covers

An outline of a model NALU bill regulating credit life and A&H was presented at the meeting Tuesday of the committee studying that subject. No action was taken, however, and it was decided to recommend to NALU that the committee be enlarged and its study continued.

The outline bill, described by Carlyle M. Dunaway NALU counsel, as being an "extremely rough" draft, represents a change in the NALU position as presented some time ago before National Assn. of Insurance Commissioners. At that time NALU contended that elimination of commission payments to the lender for placing credit insurance would end the abuses in the field.

The new outline bill, which is in step with the position taken by American Life Convention and Life Insurance Assn., would permit a service fee to the lender for processing credit insurance, except where small loan laws now forbid any payment to the lender.

Oren D. Pritchard, Union Central Life, Indianapolis, chairman, reviewed the background of abuses in credit insurance, mentioning particularly the congressional investigation of tie-in sales of credit

insurance with small loans and installment sales. He said the abuses uncovered can be a jeopardy to the entire industry, and urged steps be taken through NALU to eliminate the trouble spots.

Many facets of the matter are left unsettled in the outline bill. No definite stand was taken by the committee as to the desirability of requiring all policies be written through licensed agents or brokers, even in a limited way, the feeling being this could put the representatives of loan companies into the insurance business.

Among those attending the session was W. Lee Shield, associate general counsel of American Life Convention. He said credit insurance is not a problem in those states which have adequate small loan laws. He also observed that limiting any corrective measures to group credit covers as was suggested would not solve the problem as abuses can arise in group as well as in individual covers.

Mr. Shield cautioned the subject is one that deserves close study and deliberation before action is taken because many of the proposals border on areas that involve state regulation of rates.

Hold NALU Should Take No Position on State Commissioner

Should NALU go on record in favor of making the insurance commissioner's post an elective rather than an appointive office? Should NALU seek the separation of the insurance commissioner post from all other state offices? These questions were discussed at the meeting of the state law and legislation committee of NALU at the annual meeting in St. Louis.

However it was decided that it would be wiser for NALU to take no position but to leave it up to the state associations to do as seemed best in their bailiwicks.

In promoting the model agents qualification bill, an Ohio representative said the big point is to get a committee of the association working with the insurance commissioner, regardless of whether he is elective or appointive.

The committee, which is headed by Oren Pritchard, Union Central, Indianapolis, met jointly with the field practices committee, of which William S. Hendley Jr., Mutual of New York, Columbia, S.C., is chairman.

In connection with stock-with-policy or investment-type plans, Mr. Hendley said the best plan is to channel complaints through the commissioner and if he wants to do a job of protecting the public he can prevent the sale of such plans. He said the sales talks based on stock-value increases of long-established companies since their founding are doing "irreparable damage" for they are like showing what would happen if one had joined Henry Ford in 1903.

training level, NALU's general agents and managers conference has extended to LIAMA the "closest cooperation" in sponsoring the study course in agency management and the soon-to-be-released study course in district management, Mr. Zimmerman pointed out. "We are working on several other projects of mutual interest to our respective organizations in the education and training field."

At the committee level, NALU-LIAMA cooperation is highly integrated. The number of joint committees includes the advisory council on life underwriter education and training and the agency management training advisory committee, with chairmanships rotating between NALU and LIAMA representatives.

NALU and LIAMA also cooperate on the national quality awards. And they, along with American Life Convention and Life Insurance Assn. of America, sponsor Life Underwriter Training Council, the presidency of which rotates between NALU and LIAMA representatives. NALU and LIAMA also sponsor and support all institutional training programs



Two Massachusetts Mutual Life agents pondering NALU problems, Ewing Carruthers of Memphis and William R. Robertson of Boston.

Nominators Elected for 1956 Meeting

Members on the 1956 nominating committee, elected at Monday's National Council session of NALU in St. Louis, are as follows:

General agents and managers: Walter G. Gastil, Connecticut General Life, Los Angeles, and Earl M. Schwemm, Great-West Life, Chicago.

Agents with no field management responsibility: Nell F. Burns, New England Mutual, Birmingham, Ala., and Harry K. Gutmann, Mutual of New York, New York City.

Member (general agent or manager) with previous nominating committee experience: Herbert R. Hill, Life of Virginia, Richmond. The member with previous nominating committee experience is chosen from among managers in odd numbered years. Mr. Schwemm was elected chairman by the nominating committee.

Kansas City Life Visitors

Kansas City Life's home office has two officials attending the convention, C. W. Arnold, vice-president and superintendent of agencies, and R. L. Fitzgerald, assistant superintendent of agencies.

including those of American College and the Purdue and SMU courses, Mr. Zimmerman noted.

NALU has many facets of cooperation. In representing the agents, it must be interested in every phase of life insurance operations including legal, actuarial, legislative, investment, underwriting and, most important, agency matters, Mr. Zimmerman said.

"At the company level, there are various trade associations as contrasted to just one at the field level. Each of these organizations devotes its attention to one phase of life insurance activity. The primary field of interest and activity of LIAMA is that of agency operations." LIAMA's seven specific objectives could be condensed into one: to improve the efficiency of life insurance distribution within the framework of the agency system.

Life Insurance Sets Pace for American Business in Cooperation Among Rivals

Although competition is keen, cooperation and free exchange of ideas within the life insurance industry set the pace for all American business, Charles J. Zimmerman, managing director of LIAMA, declared in a trade association panel discussion at the National Assn. of Life Underwriters convention in St. Louis.

Referring specifically to the cooperation between NALU and LIAMA, Mr. Zimmerman said:

"Entirely aside from our formal channels of communication and cooperation, as significant as these may be, of even greater importance is the friendly, informal relationship which exists between our respective staff members and between our elected officers and board representatives. Such close working relationship is not a mushroom growth, but rather has been developed over a period of many years and is based on mutual understanding, respect and trust.

"Nor is this feeling confined only to the respective staffs and elected leaders of our two organizations. It exists throughout our home office agency departments and throughout the field forces. Only because of the confidence which NALU members have in the integrity of LIAMA have you been willing to cooperate with us so closely and wholeheartedly in our research activities, particularly when we were dealing with such questions as compensation, job sa-

tisfaction, human relations, etc.

"The willingness of NALU members to submit to us answers to questionnaires dealing with these and other important and personal subjects, in some of which replies you have necessarily had to be frankly critical of company operations, shows that you know that we will not violate security and anonymity. In turn, this has enabled us to gather information and to pass it on to our companies so that they might correct and improve those practices which were in need thereof.

"My one regret is that we have not as yet been able to fully inform the field forces in the U. S. and Canada of the objectives and services of LIAMA to the extent that would be desirable," Mr. Zimmerman continued. "This certainly is an area on which we shall concentrate. A study of the objectives of LIAMA and those of NALU as regards agency matters clearly show that our aims parallel each other. Indeed, we could transpose the objectives of LIAMA upon those NALU objectives dealing with agency affairs without affecting the validity of either.

"I do not mean to say that we always see eye to eye on every subject, but I do mean to say that both NALU and LIAMA are in the final analysis motivated by what is best in life insurance in the public interest," he added.

At the managerial education and

Tells How Advertising Helps Agents Use Time

(CONTINUED FROM PAGE 7)

courtesy usually prevent the prospect from bringing the interview to an abrupt end. The agent can answer objections as they come up. He can use as much or as little motivation as he thinks necessary in each individual case. Now, let us take a page advertisement in a magazine. If it doesn't attract you, or if it fails to hold your interest, you can flip the page and you aren't being rude. The reader must constantly be persuaded to continue reading. And the advertiser must use great caution in attempting motivation, especially negative motivation, to avoid being maudlin, or even arousing antagonism on the part of some readers.

The great advantage of advertising is its economy. With a full page magazine advertisement, for about \$3.50 you can make calls on 1,000 homes where there are likely life insurance prospects. It will be read by many who are too busy to see you when you call at their offices. The same point about economy can be made for newspapers, radio, television, billboards, and other advertising media. Of course you can't expect each one of these calls to be nearly so effective as a call by an agent, but you can't deny that advertising can make a great many calls at very low cost.

In the Life Insurance Advertisers Assn. we try to make all life insurance advertising more effective. We know that some advertisements will be seen and read by four or five times more people than other advertisements in the same issue of a publication. We learn what will work and what won't work. We benefit from one another's failures as well as successes. By and large, I believe you will agree that most life insurance advertising today measures up to a high standard of excellence.

McMillon Tells How to Assure Clients' Loyalty

(CONTINUED FROM PAGE 11)

conserve the business already on the books, sell more business, promote the agent as an individual in the community and, above all, make him genuinely happy in the business.

"I realize that this bright, shiny, young prospect which I now have is not acquainted with this business to the extent that I am; therefore, I must put this to him simply. The first necessity in a man's life insurance program is the clean-up fund. You would be surprised how many of them do not have it. The second thing in a life insurance program is beans for mama and the kids while the kids are still going to school. You would be surprised how many people don't have it.

"Then the prospect must be reminded of the time when his widow will have to say, 'Ouch, boy that really hurts'—the times when little Johnnie breaks a leg, or little Jane



M. L. Hoffman, the comptroller of NALU, pictured with another personality who has had an equally illustrious career in serving the interest of agents nationwide, Julian S. Myrick, Mutual of New York, New York City, chairman of American College and a past president of NALU.

has a birthday and there isn't any money to buy birthday presents. And he may be reminded of the time which will come when the employer says 'it's time to retire' and he himself will have to say, 'Ouch, boy that really hurts.'

"This is a perfect set-up for an endowment at 65 contract with the right to the wife to withdraw in multiples of \$100 an emergency fund, if you please. It satisfies 'ouch' for the widow if she gets in trouble after the man dies. It satisfies 'ouch' for him if he lives and retires.

"Another sale that is not too difficult to make is the 'Santa Claus' policy. Possibly the reason we do not sell enough of them is because we do not make them personal enough. Did you know your company will agree to write on the check each year on Dec. 15, 'Merry Christmas to Mary and the kids, with all my love, Jim'? That makes it personal and he is more apt to buy, but if he does not die and he lives it out to retirement age, then he has bought a contract which will be Santa Claus to him at retirement age."

When he gets all his information, he said, he goes home and that night he writes a card or letter of thanks to the client for the business. This particular action pays the biggest dividends of all the things he does to promote business, he said.

Among other things he does is to go by and say "Hi" to his new policyholders every chance he gets, he sends congratulation cards as often as possible, he sends birthday cards to each member of the family every year, sends out age-change cards because statistics show that 30% of all life insurance sold in the U.S. is on age-change, and he delivers claim checks for A&H as well as life insurance in person.

He also uses sales aids such as letter openers, pencils, fountain and ballpoint pens, book matches, etc., and when the occasion warrants he sends a new client a brief case or other gift, and once he even sent a set of luggage.

"Another method of using the 'penetrating oil' is through the assistance of my policyholders.

Collins First Debit Agent to Be Named NALU President

(CONTINUED FROM PAGE 3)

man of the NALU committee on field practices and presently is in his second term as head of the committee on compensation, through which he recently gained wide recognition for the committee's work in securing important improvements in the New York State expense limitation laws. He also played a significant role in liberalizing New York's laws affecting juvenile insurance, making it possible to buy larger amounts of insurance and at younger ages.

The new president has built a reputation for being ready to back up his convictions, but not before giving full ear to the viewpoints of others.

Mr. Collins is as democratic in his dealings with persons as he is dedicated to the life insurance business.

The new NALU chieftain wins friends quickly and these friendships almost unfailingly grow fast, cemented by the consideration he has for everyone and the capabilities that become more and more apparent as association ripens.

A native of Manchester, N. Y., Mr. Collins is a debit agent for Metropolitan Life in Buffalo, a post he has held since entering the insurance business in 1933. Before going with Metropolitan, he spent 14 years as a salesman and sales manager in various fields. His civic activities have been as numerous and important to his community as his business activities have been to insurance.

When the cases they refer to me are successful, I make it a point to tell them, and it usually will thrill them so much they believe they are better insurance salesmen than I am and they continuously seek ways to help me sell more insurance."

Mr. McMillon also sends policy



Two of the speakers on the NALU convention program: Hal Nutt, director of the Purdue course, and Robert W. Osler, vice-president of Rough Notes Co.

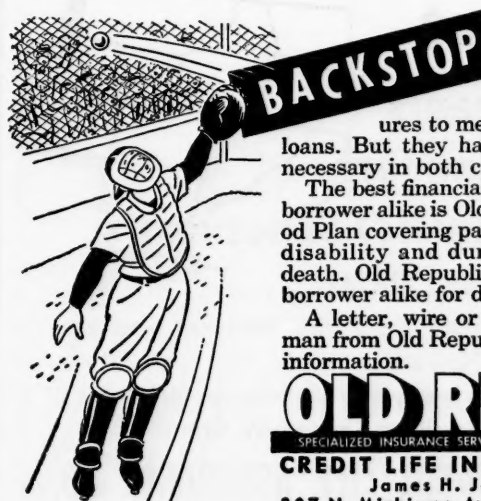
\$700 for Flood Victims

Those at the NALU convention in St. Louis contributed more than \$700 toward the relief of east coast flood victims during the Wednesday afternoon session. The money will be distributed through the Red Cross. In urging the gathering to contribute generously, Harry N. Phillips, Sun Life of Canada, Detroit, who was presiding at the session, noted that many members of the national association from the stricken areas were unable to attend the St. Louis convention because they were engaged in rescue and relief work in their home towns.

anniversary cards to the policyholders he knows are going to buy more and more insurance.

"The 10th element in the process is what I call 'I'm here.' That is being with the policyholder in his times of trouble and sorrow as well as in his times of joy."

Mr. McMillon advertises daily in the Abilene paper with a one-column ad two inches deep which has his picture and a simple statement of fact that he never changes. The great result from this advertising is that he has established his face and name in his trade territory as a trade-mark, he said.



Wild pitches are not intentional, nor are failures to meet payments on mortgage loans. But they happen, and backstops are necessary in both cases.

The best financial backstop for banker and borrower alike is Old Republic's Critical Period Plan covering payments during periods of disability and during the 12 months after death. Old Republic has served banker and borrower alike for decades.

A letter, wire or phone call will bring the man from Old Republic to your desk with full information.

OLD REPUBLIC
SPECIALIZED INSURANCE SERVICE SAFEGUARDING CONSUMER CREDIT
CREDIT LIFE INSURANCE COMPANY
James H. Jarrell, President
307 N. Michigan Avenue, Chicago 1, Illinois



Woodmen Accident and Life Company

— a pioneer in the field of complete personal insurance —

Celebrates Its 65th Anniversary

In 1890, a busy family doctor in York, Nebraska, decided to try a new prescription for an ages-old affliction. Dr. Albert O. Faulkner established Woodmen Accident Company to help relieve people of the crippling financial injuries that sickness and accident can bring.

This year, the three companies that developed from Dr. Faulkner's dream were united under one name—Woodmen Accident and Life Company. In the 65 years since its founding, Woodmen Accident and Life Company has grown in size, in service and in resources.

Now operating in 26 states, Woodmen Accident and Life has issued more than 1,500,000 policies and has paid more than \$38,000,000 in claims. The company's assets exceed \$16,500,000 and the surplus to policyholders exceeds \$3,750,000.

With this 65-year-old record of growth, of fine service, and of fair claim settlements, Woodmen Accident and Life is a good company for insurance — a good company for a career.

E. J. Faulkner, President
L. J. Melby, Agency Vice President



**WOODMEN ACCIDENT
AND LIFE COMPANY**

A Mutual Legal Reserve Company
Established 1890 Lincoln, Nebraska

We Want General Agents Agency Managers Regional Agency Supervisors in the 10 Western States . . .

. . . and in 1956 qualified Pacific National producers will convention in Hawaii.

If you are interested in any one of these appointments sit down right now and write to Kenneth W. Cring.

PACIFIC NATIONAL LIFE ASSURANCE CO.

411 East South Temple • Salt Lake City, Utah
RAY H. PETERSON, President - KENNETH W. CRING, V.P. & Supt. Agencies

Cutini Tells How to Be Comfortable

(CONTINUED FROM PAGE 8)

terpretations of facts we've been reading about are necessary aspects of our healthy business. They are reflections of our healthy economy, an economy in which the average American family is earning 40% more than it was earning in 1945-46. Statistics show, too, that purchasing power has increased (prices have climbed more slowly than income; inflation isn't as bad as some believe). The fed-

Acquiring information makes it possible for a person to adapt to his surroundings, to make himself comfortable, G. S. Cutini, director of training of Life of Georgia, said in his talk before the Thursday general convention session of NALU at St. Louis. Pointing out that he believes the best time to prepare for a job is when the person is engaged in it, he advocates that agents never stop learning through reflective thinking, productive study and repetition. Education for youth is good, he says, but adult education is the force in America today.



G. S. Cutini

eral reserve board figures show that skilled workers' income now averages \$4,500 per year, and that one out of five wives is a "working" wife. In addition to the above, and notwithstanding, it might interest you to know that 92% of our fellow Americans consider stocks an unusual investment!

The uncomfortable feeling some of us are beginning to experience now reminds me of some of our mutual friends. You know:

Mr. "A": The agent who is constantly late for his appointments.

Mr. "B": The agent who makes insufficient calls on prospects.

Mr. "C": The agent who has too few prospects.

Mr. "D": The agent who never

sells a business case—not even a \$5,000-partnership.

The feeling of discomfort they suffer when they try keeps them from attempting too often. Instead of making themselves comfortable by acquiring information which would make it possible for them to adapt, they withdraw. I'd like to suggest to you that if you would adapt to your surroundings by preparing yourself, you will be better off than if you withdraw. For you can be sure that as long as we are in the insurance business, we will be subject to changes. Science and research lead the way toward healthy bodies—the physician follows. Legislators lead the way toward justice—attorneys follow. Our economy leads the way toward financial stability—we must follow. It is so simple. The practitioner keeps up-to-date that he may serve where and how the needs demand.

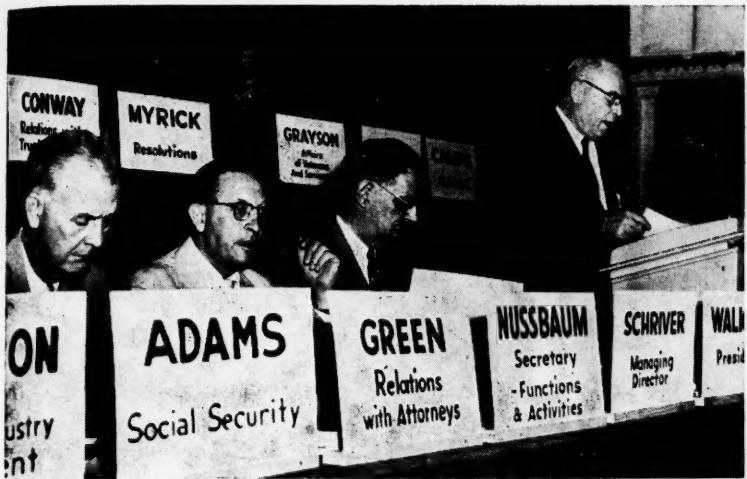
I'm going to make the assumption that everyone in this room is predisposed to learning. That is, that you have the right attitude about your need for knowledge. Now, if you are predisposed to accept conditioning—to accept adjustment by learning and training—you have taken the first step toward being comfortable. You are, in effect, saying, "I would like to know." The wise guy, know-it-all attitude is anathema to successful men. Successful men shun the polarized individual whose mind is too narrow to encompass new ideas. Polarized people are not popular. Being positive about prin-

GAMC to Publish Talks Made at Its Sessions

The General Agents & Managers Conference of NALU will publish in a brochure the complete texts of talks given at its sessions in St. Louis. The versions being printed in the convention dailies published by The National Underwriter are necessarily abbreviated.



A small part of the sizable contingent from Illinois: George Treadway, New York Life, Peoria; Lawrence T. Oxley, Country Life, Jacksonville; Glenn Lupton, Prudential, president of the Peoria association and 2nd vice-president of the state association, and George Huth, Connecticut Mutual, president of the Chicago association.



President Robert L. Walker shown addressing the opening session of the National Council. Other NALU leaders, from left, are Theo. M. Green, Massachusetts Mutual, Oklahoma City, a trustee; A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, secretary, and Lester O. Schriver, managing director.



When you want facts about our "home town" get 'em from our "home town" boys... or girls. They'll be on hand at General American Life's Service Center in the hotel during all 5 days of the convention. Home office of General American Life is just around the corner from the hotel, so home office people will be readily available to keep the booth well staffed for prompt service that can save you time and help you enjoy your trip to St. Louis more. So, follow the red carpet to General American Life's Service Center.

USE THE GENERAL AMERICAN LIFE BOOTH

- for message exchange service
- for out-of-town newspapers
- for "made-in-St. Louis" prize drawings

INQUIRE HERE FOR...

- Best ways to obtain Municipal Opera Tickets
- Where to go for entertainment for dinner
- for gift buying
- for sight seeing, etc.

We're here to give you the facts... it's a pleasure

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BEST WISHES
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St. Louis 1, Missouri

ciples which work is one thing; being stubborn about methods is another. Methods do have a way of changing! When you are predisposed to learn, you can be transformed—from the person you are to the person you want to be.

Rule No. 2 in learning: Repetition. If you would encompass an idea, repeat, repeat, and repeat again. You can read a newspaper in a perfunctory manner. The details may not be too important. But when you find yourself talking to prospects for financial planning, it is important that you know facts! Specific facts.

1. How does the 3% rule work, as compared to how it was applied before?

2. What is the difference, really, between leaving life insurance under optional modes of settlement and leaving it in trust?

3. What is the real difference between investments in stock, in bonds, in real estate, and life insurance?

We do provide a means of accumulating capital—but we must also give advice as to its construction, its management, its distribution. May I say here, before I'm misunderstood, not that you should amaze your prospects with your learning, but to make you competent and comfortable. (The doctor doesn't tell all he knows when he reduces a fracture, does he?) Textbooks and special brochures and services available are jam-packed with information. If you will take one paragraph at a time, digest it, absorb it, and give it your wholehearted, reflective attention while you study—which is rule No. 3—you will be amazed with yourself after a few short months. What kind of attention? Reflective attention, as opposed to naive attention.

Education for youth is good, but adult education is the force in America today, because the best part of education is that which prepares you for your job, and when best can you prepare for it than when engaged in it! Don't believe

the misleading stories that a man's mind wouldn't be interested in planting a crop and in taking a harvest by himself. Perhaps he couldn't do these things as well as a young man. But, remember, Einstein's great works were not performed only at age 20 and 24. In Atlanta, we have a life insurance man, John Ashley Jones, 85 years old, who consistently distinguishes himself as a leader—at age 85! And if you would like to know something about the recent tax changes under which we now must operate, talk to John Ashley Jones, who keeps himself informed about current affairs. He can feel as comfortable at age 85 as he felt at 45.

I guess a man aged 45 or 50 wouldn't be interested in planting a crop and in taking a harvest by himself. Perhaps he couldn't do these things as well as a young man. But, remember, Einstein's great works were not performed only at age 20 and 24. In Atlanta, we have a life insurance man, John Ashley Jones, 85 years old, who consistently distinguishes himself as a leader—at age 85! And if you would like to know something about the recent tax changes under which we now must operate, talk to John Ashley Jones, who keeps himself informed about current affairs. He can feel as comfortable at age 85 as he felt at 45.

Here is the last rule for productive study. Make yourself a schedule, stick to it. An hour in the evening; an hour in the morning; two hours in the evening; six hours every Saturday—whatever your choice, just make yourself your own schedule—and stick to it. An American educator, Horace Mann, once wrote, "Lost yesterday somewhere between sunrise and sunset, two golden hours, each of these hours set with 60 diamond minutes. No reward is offered, they are gone forever." Don't you have 60 diamond minutes somewhere that you can put to work everyday to prepare yourself? So that you can integrate your study with your work and make yourself more competent? It requires only one quality. Determination.

Three from U. S. Life

John Weaver, executive vice-president, Walter Zerbst, eastern superintendent of agencies, and Edward R. Nadalin, assistant superintendent of agencies, are here from the home office of U. S. Life.

C. E. Cleeton Wins Russell Award for Building Work

(CONTINUED FROM PAGE 3)

the other officer posts. Stanley C. Collins, Metropolitan Life, Buffalo, advanced from vice-president to president, A. J. Nussbaum, Massachusetts Mutual, Milwaukee, from



Albert C. Adams



A. Jack Nussbaum

secretary to vice-president, and J. Elton Bragg, Guardian Life, New York City, was reelected treasurer.

Out of a slate of seven trustee nominees the following were elected:

For two-year terms:

Quan Lun Ching, Prudential, Honolulu.

John C. Donohue, Penn Mutual, Baltimore.

Elsie Doyle, Union Central, Cincinnati.

Louis J. Grayson, Travelers, Washington, D. C.

Gordon V. Hockaday, Equitable Society, Spokane.

Oren D. Pritchard, Union Central, Indianapolis.

For one-year term, filling out Mr. Adams' term:

Sam B. Starrett, Jr., Guarantee Mutual, Omaha.

The women agents' luncheon had an imposing array of insurance personalities as speakers, each one telling of the women agents' actual and/or potential accomplishments in various fields. Mrs. Laura M. Benham, Prudential, Niagara Falls, N.Y., chairman of the women's committee, presided. Dollie Zimmer, Northwestern Mutual, St. Louis, had charge of arrangements.

Contrary to the custom of past years, there was a general convention session in the afternoon Wednesday.

Speakers were Kenneth McFarland, special consultant of General Motors Corp.; Charles W. Dow, senior vice-president of Equitable Society; and Miles F. Palmer, Sun Life of Canada, Edmonton, Canada. It was at this session that the presentation of the 1955 John Newton Russell memorial award for outstanding service to the institution of life insurance was made.

Wednesday evening the American Society of CLU dinner and conferment exercises took place with Gerald W. Page, Provident Mutual, Los Angeles, immediate past president of the American Society, presiding. President Davis W. Gregg of the American College presented the diplomas. The principal speech was made by President G. L. Cross of University of Oklahoma.

There were two breakfast sessions—of the Graduate Society of

the Institutes of Insurance Marketing and the Texas "Trained Seals", the latter event being run off by the Texans in honor of those who have spoken at Texas caravan sales congresses.

For the first time at an NALU convention there was held a "workshop" for state association officers. This was conducted by M. W. Peterson, Lincoln National, Charlotte, N.C., chairman of the committee on associations. There was audience participation discussion of association activity in legislation, sales congresses and caravans, publications, achievement awards, etc.

The Thursday general convention session had as presiding officer Stanley C. Collins, vice-president of NALU, and an agent of Metropolitan Life in Buffalo. There were talks by R. L. McMillon, Business Men's Assurance, Abilene, Tex.; G. S. Cutini, director of training, Life of Georgia; and the chairman and two speakers representing the Million Dollar Round Table.

The traditional Million Dollar Round Table Hour had George B. Byrnes, chairman of the 1955 round table, and general agent of New England Mutual Life of New York City, presiding. Speakers were Johnny S. Sierra, Great Southern Life, Dallas, who talked in a sales panel at the recent MDRT meeting at White Sulphur Springs, and Harry R. Schultz, Mutual of New York, Chicago, who was one of the room-hopping hosts at the White Sulphur meeting.

The NALU-LUTC luncheon had as principal speaker Hugh B. Patterson, Jr., publisher of the Little Rock Arkansas Gazette. Herbert R. Hill, Life of Virginia, Richmond, president of LUTC, presented senior instructor awards. President Walker of NALU brought greetings from the national body.

That afternoon there was a session of the national council for action on reports of the nominating committee. Following this there was a convention business session for action on reports of the committees on resolutions and revision of by-laws.

Thursday evening there were 35 company dinners and one reception, that of Prudential.

Last scheduled event of the evening was the president's reception and ball.

The final convention session was Friday morning. Managing director Lester O. Schriver acted as session chairman and also as moderator of the symposium on "Our Allied Associations." This had as participants Claris Adams, executive vice-president of American Life Convention; Bruce E. Shepherd, manager Life Insurance Assn. of America; Charles J. Zimmerman, managing director of LIAMA; Holgar J. Johnson, president Institute of Life Insurance; and A. H. Thiemann, 2nd vice-president New York Life, pres-

ident of Life Insurance Advertisers Assn.

The second part of the session was a panel, "A Street Agent Speaks." Horace R. Smith, superintendent of agencies Connecticut Mutual Life, acted as moderator, the panelists being F. Howard Manning, Equitable of Iowa, Kansas City, Kan.; Thomas B. Rosser, Metropolitan Life, Dyersburg, Tenn.; and Robert E. Gladden, John Hancock, Jackson, Mich.

The final get-together of the convention will be the fellowship luncheon, with immediate past president Robert C. Gilmore Jr., Mutual Benefit Life, Bridgeport, Conn., presiding. The new officers, trustees, past national presidents, St. Louis association officers and convention committee chairmen were introduced. The speaker of the occasion will be John W. Yates, Massachusetts Mutual Life, Los Angeles.

Later in the afternoon the new NALU board of trustees will meet.

Present Draft Bill To Bar Speculative Investments

Following is the suggested text for a model bill, drafted by NALU Associate Counsel J. Taylor Bigbie, designed to prevent the tie-in sale of life insurance and speculative investments not only on tie-in-type plans but stock-with-policy and investment-fund arrangements. It was presented at the meeting of the state law and legislation committee during the NALU annual meeting in St. Louis.

No life insurance company shall hereafter deliver in this state as a part of or in combination with any insurance, endowment or annuity contract, any agreement or plan, additional to the rights, dividends, and benefits arising out of any such insurance, endowment, or annuity contract:

(1) Which provides for the accumulation of profits over a period of years and for payment of all or any part of such accumulated profits only to members or policyholders of a designated group or class who continue as members or policyholders until the end of a specified period of years; or

(2) Which provides that on the death of anyone, other than a beneficiary, not specifically named therein, the owner or beneficiary of the policy shall receive the payment or granting of anything of value; or

(3) Which provides that the whole or any part of the premiums or consideration for the policy, dividends, coupons, reserves, special reserves, or the excess of the interest therefrom or any funds or money in excess of the normal reserve required to meet the contractual guarantees of the policy, are to be placed or invested in special funds or segregated accounts or in



Pat O'Brien, Northwestern Mutual, St. Louis, the sergeant-at-arms, pictured with another busy conventioneer, Hunter Hammill, Phoenix Mutual, Philadelphia, manager of the secretary candidacy of Albert Adams.

specially designated places. And the funds or earnings therefrom divided among those taking the policy, their beneficiaries or assignees; or

(4) Which provides for the sale, solicitation, or delivery of any stock or shares of stock in the company issuing the policy or in any other insurance company or other corporation, or benefit certificate, securities, or any special advisory board contract or other kind promising returns and profits, or dividends equivalent to stock dividends as an inducement to or in connection with the sale of the insurance or to the taking of the policy.

Southwestern Honors Cooper

Southwestern Life honored W. Frank Cooper at a reception in the Jefferson Hotel Tuesday. Mr. Cooper, of Fort Worth, is president of American Society of CLUs.

State Farm Representatives

Looking in on NALU sessions from the State Farm Life home office were: M. G. Fuller, president; A. W. Tompkins, executive vice-president; Henry Keller Jr., vice-president, and C. E. Harpster, director of agency training.



New CLU president George Neitlich, manager of Metropolitan Life at Boston, discusses some of his new duties with outgoing president, Frank Cooper, Southwestern Life, Fort Worth.

NALU's War on Tontine-Type Plans Bringing Wave of Investment-Plus-Insurance Schemes

Now that insurance commissioners and state legislators have become aware of the resurgence of semi-tontine plans of insurance and are prohibiting them across the country by rulings and laws, a new type of plan is emerging, according to the report of the committee on field practices, of which William S. Hendley Jr., Mutual of New York, Columbia, S. C., is chairman.

This new type of plan has some features similar to semi-tontines, but it is not tontine in principle and is not prohibited under anti-tontine laws, the report pointed out, adding that "it would almost appear that this shift in emphasis away from semi-tontines has been due to the success of NALU's anti-tontine campaign."

The new insurance scheme is known by several names, such as "investment fund" policies or "estate builder" contracts, but the principle is the same, according to the committee.

The policy is a combination of (1) a basic life policy and (2) an investment fund, all written in one contract and charging one premium. The policyholder is charged more than the actual cost of his insurance, and the excess is invested in a common fund.

Thereafter, at certain stated intervals, he may share in any profits which may be made from investing of his fund in common stocks.

The prospective policyholder is blinded by hopes of "getting rich quickly" while he is burdened with an extra premium loading above life insurance costs and the investment account combined, the report states.

The committee notes that the new plan has received severe setbacks in South Carolina and in Georgia. The South Carolina Life Underwriters Assn. has won two decisions there against these plans and in Georgia, Commissioner Cravey ruled against the issuance of all tontines, semi-tontines, stock-with-policy schemes and investment fund contracts in that state.

Saying that the majority of states have statutes similar to those of South Carolina and Georgia, the committee urges that all agents in

states which are plagued with these schemes to bring the appropriate sections of the insurance code to the attention of their insurance commissioner.

"A deceptive promotion scheme cannot succeed if the commissioner is informed of it, and if the commissioner will officially and publicly condemn it," the report points out.

Urge Survey to Learn Ideas About Display and Advertising Kits

A subcommittee should be appointed at the earliest possible date to do the full research job necessary for completing advertising kits and packaged displays that will be made available to local associations, according to a recommendation contained in the report of the committee on public information submitted to National Assn. of Life Underwriters at its annual convention in St. Louis. Winslow S. Cobb, Jr., Connecticut Mutual Life, Boston, is committee chairman.

The subcommittee is needed because a questionnaire must be circulated among local associations to find out how many are interested in package displays and what type of material they prefer. Unit cost is an important factor which can only be determined by the quantity in which they are ordered. Associations also must be queried about the kind of material they want in the advertising kits. The committee has been working on advertising kits for some time with Institute of Life Insurance and Donald F. Barnes, director of advertising and promotion of the institute.

Pugh Moore, who has been executive representative of Associated Press in New York City, joined NALU headquarters as director of information on Aug. 1. The committee termed his appointment "one of the most heartening developments toward the improvement of NALU's public information program."

Swanson & Dalzell, New York City public relations firm, has been counseling NALU on public information matters for six months. The work of this company and Mr. Moore point the way toward building a more effective public information program. Increased public awareness by NALU at national and local levels "will do much to build prestige and increase the effectiveness of the association."

Zimmerman Makes Four Talks at NALU Meet

Charles J. Zimmerman, managing director of LIAMA, is on the convention program of NALU for four appearances, making him the "speakingest" man at the convention. His talks include those made at the executive secretaries dinner

Monday evening, at the General Agents and Managers Conference luncheon Tuesday, to present the magazine prize article awards, at the women's committee luncheon Wednesday and at the symposium Friday on "Our Allied Associations."

Runner-up for frequency of scheduled appearances is NALU President Robert L. Walker, speaking at the National Council meeting, at the first general session, and at the women's luncheon. In third place is Horace R. Smith, superintendent of agencies of Connecticut Mutual Life, who made a two-hour presentation Tuesday evening at the GAMC meeting, on the development of an agent, and then was slated to preside at a panel, "The Street Agent Speaks," at the final general session Friday.

Here for North Am. L.&C.

James E. Scholefield, vice-president and director of agencies, and Carl Peterson, agency consultant, are attending the convention from the home office of North American Life & Casualty.

Metropolitan Holds Reception

All Metropolitan Life convention delegates were feted at a reception in the Park Plaza Hotel, Tuesday.

Representing the home office were Karl Kreder and Earl Trangmor, 3rd vice-presidents, and Alexander Hutchinson and W. W. Hartshorn, superintendents of agencies.

Midland Mutual Represented

Russell S. Moore, manager of agencies at the home office of Midland Mutual Life, and Mrs. Moore are here for the convention.

Columbus Mutual Life Officials

Here for Columbus Mutual Life are Ralph E. Waldo, regional agency organizer, and Franklin T. Phillips, agency secretary.

Southwestern Life Visitors

At the convention from the home office of Southwestern Life are R. R. Davenport, vice-president and agency director, and J. Carlton Smith, educational director.

Guests from Shenandoah Life

C. Thomas Chandler and R. Hampton Davis, superintendents of agencies, are here from Shenandoah Life.

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Boonville, Mo.

Jefferson City, Mo.

Jefferson City, Mo.

Kansas City, Mo.

Pension and Insurance Plan for Employees and Field Force



Looking in on the NALU conclave were two directors of Modern Woodmen of America, W. Cable Jackson, Minneapolis, and T. W. Cheney, Rock Island, Ill.

Basic Selling Techniques Discussed by Sierra

CONTINUED FROM PAGE 12)

and I, both age 30, could buy the same kind of life insurance from the same company on the same day. He buys \$10,000; I buy \$6,500. We die on the same day. Under certain circumstances, over which we have no control, my \$6,500 will pay a little more than his \$10,000. He has lost 35% of his life insurance; not because the life insurance is bad, but because of bad ownership of good life insurance.

As soon as possible, I want to get to step 3, which is: "You bought this life insurance for something. Some day, it will be measured against some kind of job. Have you ever written down what that job is? Have you ever written down the job your life insurance must do for you and yours to compensate for the arduous task of paying premiums?"

Usually, he has not. If he has, I want to go over it with him to check for inadequacy or mistakes in ownership. If he has not written it down, which might, more than likely, happen, I say "then wouldn't it be just a lucky accident if your life insurance happened to fit the job? It will be measured, whether you like it or not. Maybe you won't be there. Would you like to have something to say about it?"

"Let's measure to see what your family could get along with if you didn't come home anymore." So we do a measuring job. We write down the minimum amount he and his family must have to provide for decency and the right to live. When we finish, we have a pretty accurate picture of his problem.

Then I take his life insurance policies, and I'm ready to go. I tell him, "This is now a laboratory job. There is no trick about all this. This is the job you want life insurance to do for you. This is the picture you want painted. You have some excellent paint here (the life insurance policies). I'll be

back to tell you exactly how much and what kind of paint you need to do the job you want done." "If you need some more paint, could you get it if you wanted it? Are you in good health? Can you pass an examination?" He says, "Yes"; I say, "Well, you look good to me; but, unfortunately, my company won't accept my opinion, and they darn sure won't take yours. They insist on having their doctor look you over. Do you think that's fair?" He has to say, "Yes." "I'll make a date for you. Can you go to Dr. Allday at 3 o'clock?"

If he doesn't want to go to be examined, I'll battle it out with him right there. "There are two decisions to be made: you—that you will buy; the company—that it will sell. It isn't fair to ask you to make a decision. We don't know how much or what kind of life insurance will complete your job. You can't offer to buy; but you can stand still for a doctor for 15 minutes. Will you do that? I'll do the three hours of laboratory work; you get examined, and we'll force the company to a decision. It won't cost you anything, and you haven't bought anything."

If he won't match his 15 minutes for a free examination against my three hours of highly-specialized work for him, I don't want his policies, and I don't take them. If I can't sell him that kind of deal for free, I think I can't sell him life insurance for money. He is no longer my customer—you can have him!

In my operation, the only time I need muscle is at the end of the fourth step. Here I must win—or lose. When I lose, I lose—and quit! I just want to pay as little as possible for my mistakes. I throw my heart, body and soul at him to get him to recognize that this is his problem. It's a tough one. He wants it solved. I offer him the greatest single instrument for the



Company representatives at the agents' conclave; W. Sheffield Owen, agency vice-president of Life of Georgia; Lewis W. S. Chapman, director of company relations of LIAMA, and two past presidents of LIAMA—Harry McConachie, vice-president of American Mutual of Iowa, and Sam E. Miles, vice-president of Provident L. & A.

conquest of fear that man has ever discovered or devised. He and I can solve his problem—and he thinks so. He'll trust me, and he'll do his part—he'll be examined. When I can get over step 4, I'm in!—and so is he! The next time I see him is at his home by appointment.

I always manage to do this job in the dining room. I sit between Jim and his wife—let's call her "Mayme". I have a chart all worked out. Carefully and slowly, Jim and I explain to Mayme what we have been working on. It doesn't take long. We show the minimum requirements. She agrees that they are darn sure minimum minimums! Then from my chart I show what can be provided with the best possible use of their present life insurance, with help from social security, veteran's benefits, etc. After I'm sure they understand it, I say . . . That's right—Nothing!

Then they talk awhile. They are in trouble: big trouble. They can't win. They are steeped in fear. They're afraid he may die too soon—and they understand! If he lives too long, that's bad, too! They don't like it! Sometimes they ask me, "What should we do?" And I show my second chart. Sometimes, I have to step in and say, "May I help? This is the way—the only way your problem can be solved." Then we break out the second chart. "With \$20,000 more insurance, this is what we can do." They look; they understand; and they buy it. Wouldn't you?

Vivian Anderson on Hand Despite Operation

C. Vivian Anderson, Provident Mutual, Cincinnati, past president of NALU, is on hand at St. Louis despite his recent third surgery for a detached retina, the result of a garage door falling on his head. He was honored at the luncheon put on by the women's committee.

Insurance Must Be Sold, Coffin Tells Agents Forum

It is because agents are the world's best salesmen that life insurance ownership is so widespread today, Vincent B. Coffin, senior vice-president of Connecticut Mutual, told the agents forum Tuesday. The benefits of insurance are something extremely remote, he stressed, and to convince the prospect he should sacrifice something today for benefits far in the future takes a high grade of skill.

The agency system will flourish, according to Mr. Coffin, and not because of the many services rendered to clients. They are of prime importance, he added, but sales are made because the agents are asking people to buy, not because they ask them if some service can't be performed. The day never will come when people will seek out agents—or companies—to buy insurance.

What has been termed a "volume craze" on the part of companies and agents doesn't worry Mr. Coffin. "Insurance is an exciting business," he declared, "and getting volume is exciting." Without such an attitude, not nearly so much insurance would be sold, he contended.



John C. Donohue, Penn Mutual, Baltimore (right), and Harry Phillips, Sun Life of Canada, Detroit, both NALU trustees, shown at the board meeting.



NALU luminaries: Lester O. Schriver, managing director; A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, secretary, and Carlyle M. Dunaway, counsel.



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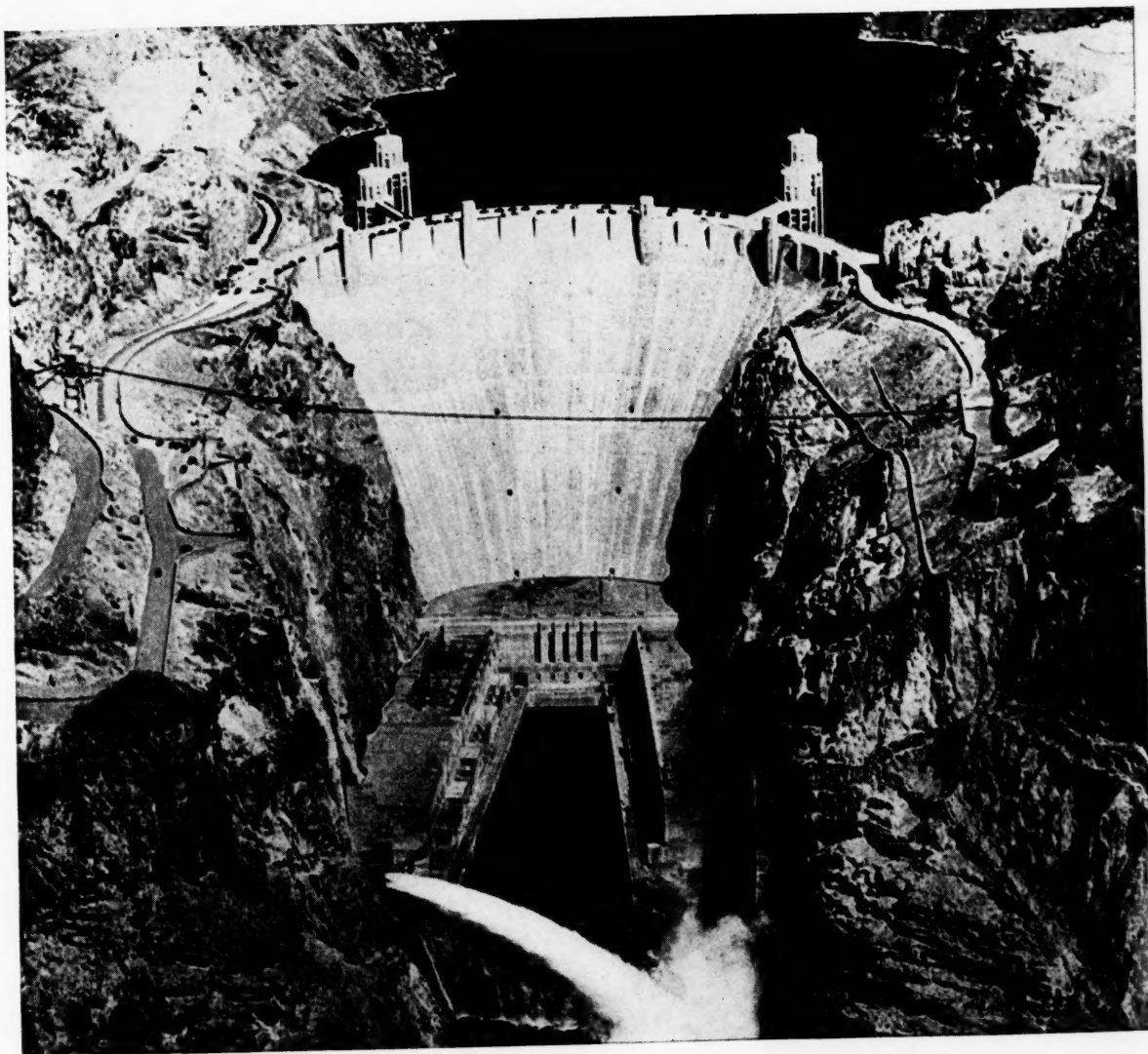
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Strong Among the Strong...

*Quality service to our policyholders
Pride in our ever-growing field force
Ideal life insurance plans for today's market*

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